

DEPARTMENT OF HOMELAND SECURITY
APPROPRIATIONS FOR 2012

HEARINGS
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES
ONE HUNDRED TWELFTH CONGRESS
FIRST SESSION

SUBCOMMITTEE ON HOMELAND SECURITY

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NOTE: Under Committee Rules, Mr. Rogers, as Chairman of the Full Committee, and Mr. Dicks, as Ranking Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

BEN NICHOLSON, JEFF ASHFORD, KRIS MALLARD,
KATHY KRANINGER, and MILES TAYLOR,
Staff Assistants

PART 2

DEPARTMENT OF HOMELAND SECURITY

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PART 2
DHS
Customs
Coast Guard

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COMMITTEE ON APPROPRIATIONS
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SECOND SESSION

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DEPARTMENT OF HOMELAND SECURITY APPROPRIATIONS FOR 2012

WEDNESDAY, MARCH 2, 2011.

DEPARTMENT OF HOMELAND SECURITY

WITNESS

HON. JANET NAPOLITANO, SECRETARY, UNITED STATES DEPARTMENT OF HOMELAND SECURITY

OPENING STATEMENT: CHAIRMAN ADERHOLT

Mr. ADERHOLT. The hearing is called to order.

I would like to welcome everyone to our first scheduled hearing for the year. It is an honor for me to chair this Subcommittee, and also to welcome some new Members to the Subcommittee who are still, I think, making their way in. Thank you for being here, and welcome to the Subcommittee.

Today we welcome Secretary Napolitano to what marks her third appearance before the Subcommittee. Madam Secretary, we thank you for being here, and I look forward to hearing your testimony as part of the President's fiscal year 2012 budget request for the Department of Homeland Security (DHS).

Madam Secretary, as you know, the threats facing our country have never been as persistent and as diverse as they are today. In fact, recently you testified before the Senate that in some ways the threat facing us is at its most heightened state since the 9/11 attacks. This past year we have seen intensified terrorist activity, including new threats to aviation and several home-grown plots. Furthermore, the cartel-fueled violence in Mexico continues to cast a lengthy shadow over the Southwest Border and even claimed the life of an ICE agent 2 weeks ago. And certainly our thoughts and prayers go out to the family of Special Agent Zapata.

In light of such challenges, the importance of the Department's work cannot be overemphasized. This is especially true as we approach the tenth anniversary of the 9/11 attacks later this year. That is precisely why H.R. 1, the full-year continuing resolution passed by the House just a week and a half ago, fully funds all frontline operation and essential personnel, including Border Patrol agents, ICE agents, Coast Guard personnel, intelligence officers, and other key employees. In fact, the funds provided in H.R. 1, combined with fiscal year 2010 supplemental funds, enable the Department of Homeland Security to actually increase the number of Border Patrol agents beyond the minimum 20,500 agents to reach the target of 21,370 agents by the end of fiscal year 2011.

As we work to enact a responsible FY 2011 appropriation for Department of Homeland Security, we are mindful both of our critical national security needs and our government's mounting fiscal crisis. Even in the name of security, we can no longer afford to simply throw money at programs without tangible results. We must carefully align funding to mission requirements and be able to show the American people how every single dollar is making our Nation safer and more secure. This alignment of funding to results will be the mantra of this Subcommittee under my Chairmanship.

This brings us to the substance of the Department's fiscal year 2012 budget request, which includes some fairly austere and reasonably balanced proposals. But these virtues are, unfortunately, outweighed by the budget's substantially inadequate justification for the cost of disaster relief, for phony offsets in the form of increased fees that have yet to be enacted, and the undefined reductions to operational budgets. In total, your budget request ignores an estimated \$4.9 billion in known disaster relief costs, relies upon \$650 million in aviation security and custom fee revenues that have yet to materialize, and proposes more than \$615 million in reductions from the Department's operational components through so-called administrative savings or efficiencies that are not clearly itemized in the Department's budget justifications.

Madam Secretary, at a time of record deficits and mounting debt, the first thing we need from the administration and each and every department and agency across the Federal Government is "truth-in-budgeting."

Having said that, I am sincerely pleased that your budget pledges to cut costs. It limits administrative overhead, promotes efficiency, and it places priority on frontline operations. And these are the priorities of this Subcommittee as well. But these promises will be little more than rhetoric if the Department does not live up to its fiscal responsibilities and follow through on its legislative proposals.

The Department of Homeland Security cannot operate in a world as it would like to be; instead, it must follow the law as it is written. This assertion not only applies to the budget realities I have just outlined but also to areas where this administration has been reluctant to fully engage, such as immigration enforcement, REAL ID, and a biometric exit solution for US-VISIT. These are mandates the Department of Homeland Security must plan for, budget for, and perform.

While I realize the enormity of this obligation, it is a duty the American people are counting on you to fulfill, and there is no room for failure. We must find a way to balance our limited resources across our competing priorities and numerous vulnerabilities in order to confront every threat with tenacity and with purpose.

Madam Secretary, I know you have a tough, often thankless, job. That is precisely why we are relying upon you to explain how this budget moves our Nation's security forward and does so in a way that is fiscally responsible and well justified. We do thank you for being here today and look forward to our discussion and your budget request in greater detail as we move forward.

[The information follows:]

**The Honorable Robert Aderholt
Committee on Appropriations
Subcommittee on Homeland Security**

Opening Statement:

FY 2012 Budget

**Witness:
Secretary Janet Napolitano**

2:00 PM | Wednesday | March 2, 2011 | 2359 RHOB

Hearing is called to order [*gentle strike of gavel*] –

Today, we welcome Secretary Napolitano to what marks her third appearance before our Subcommittee.

Madam Secretary, we thank you for being here and look forward to hearing your testimony on the President's FY 12 budget request for the Department of Homeland Security.

Madam Secretary, the threats facing our country have never been as persistent and diverse as they are today. In fact, just a few weeks ago you testified before the Senate, "....that, in some ways, the threat facing us is at its most heightened state since the [9/11] attacks."

This past year we have seen intensified terrorist activity including new threats to aviation and several homegrown plots. Furthermore, the cartel-fueled violence in Mexico continues to cast a lengthy shadow over the Southwest Border and even claimed the life of ICE Special Agent Zapata two weeks ago. In light of such challenges, the importance of the Department's work cannot be overemphasized. This is especially true as we approach the tenth anniversary of the 9/11 attacks later this year.

That is precisely why H.R. 1—the full-year Continuing Resolution passed by the House just a week and a half ago—**fully funds all** front-line operations and essential personnel, including Border Patrol agents, ICE agents, Coast Guard personnel, intelligence officers, and other key employees.

⇒ In fact, the funds provided in H.R. 1 combined with the FY10 supplemental funds enable DHS to actually **increase** the number of Border Patrol Agents *beyond* the minimum of 20,500 agents to reach the target of 21,370 agents by the end of FY11.

As we work to enact a responsible FY 11 appropriation for DHS, we are mindful both of our critical national security needs and our government's mounting fiscal crisis.

⇒ Even in the name of security, we can no longer afford to simply throw money at programs without tangible results. We must carefully align funding to mission requirements and be able to show the American people how *every* single dollar is making our Nation more safe and secure.

⇒ This alignment of funding to results will be the mantra of this Subcommittee under my Chairmanship.

This brings us to the substance of the Department's FY 12 budget request, which includes some fairly austere and reasonably balanced proposals. But these virtues are unfortunately outweighed by the budget's substantially inadequate justification for the costs of disaster relief; phony offsets in the form of increased fees that have yet to be enacted; and undefined reductions to operational budgets.

In total, your budget request:

- ⇒ Ignores an estimated \$4.9 billion dollars in *known* disaster relief costs;
- ⇒ Relies upon nearly \$650 million dollars in aviation security and customs fee revenue that has yet to materialize; and

⇒ Proposes more than \$615 million dollars in reductions from the Department's operational components through so-called "administrative savings" and "efficiencies" that are not clearly itemized in the Department's budget justifications.

Madam Secretary, at a time of record deficits and mounting debt, the first thing we need from the Administration and each and every Department and agency across the Federal government, is truth-in-budgeting.

Having said that, I am sincerely pleased to see your budget pledges to cut costs, limit administrative overhead, promote efficiency, and prioritize frontline operations – these are the priorities of this Subcommittee as well.

⇒ But, these promises will be little more than rhetoric if the Department does not live up to its fiscal responsibilities and follow through on its legislative proposals.

DHS cannot operate in a world as it would like it to be; instead, it must follow the law *as it is written*. This assertion not only applies to the budget realities I have just outlined, but also to areas where this Administration has been reluctant to fully engage, such as immigration enforcement, REAL ID, and a biometric exit solution for US-VISIT. These are mandates DHS must plan for, budget for, and perform.

While I realize the enormity of this obligation, it is a duty the American people are counting on you to fulfill and there is no room for failure.

⇒ We must find a way to balance our limited resources across our competing priorities and numerous vulnerabilities in order to confront every threat with tenacity and purpose.

Madam Secretary, I know you have a tough, often thankless job – that is precisely why we are relying upon you to explain how this budget moves our Nation’s security forward and does so in a way that is fiscally responsible and well-justified.

We thank you for being here, and I look forward to discussing your budget request in greater detail today.

Before I turn to the Secretary for her statement, let me recognize the distinguished Ranking Member and former Chairman of this Subcommittee for any remarks he would like to make.

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Mr. ADERHOLT. Before I turn to the Secretary for her statement, let me recognize the distinguished Ranking Member and then the former chairman of the Subcommittee, Mr. Rogers, for any remarks that he may have.

Mr. Price.

OPENING STATEMENT: RANKING MEMBER PRICE

Mr. PRICE. Thank you, Mr. Chairman. I want to congratulate you on your appointment to lead this Subcommittee. You and I have worked together on the Appropriations Committee for years, and you served on this Subcommittee in the early years. So we welcome you back.

Since this Subcommittee was established under Mr. Rogers' leadership, the Chairman and Ranking Member have always striven to do our work professionally and collaboratively and in a very bipartisan fashion. I understand you intend to continue that tradition, and I very much look forward to a strong working relationship.

Madam Secretary, you are no stranger to this Subcommittee either, of course, and I have enjoyed our working relationship over these last two years when I was privileged to serve as Chairman. We welcome you back to kick off our hearings on Homeland Security's fiscal year 2012 budget and a review of its ongoing activities.

This past year has been one of major challenges with multiple attempted attacks on our homeland beginning with the attempted Christmas Day bombing, followed by the Times Square incident, and most recently the air cargo threat from Yemen. You have been confronting continued violence associated with transnational drug cartels along our Southwest Border resulting in the deaths of both Customs and Border Protection (CBP) and Immigrations and Customs Enforcement (ICE) agents, the challenges resulting from the Deepwater Horizon catastrophe, and the constant onslaught of cyber attacks on our government networks and critical infrastructure. So I thank you for your constant vigilance in facing so many competing challenges head on, especially as the threats to our homeland have diversified and proliferated.

The 2012 discretionary budget for the Department of Homeland Security is \$43.2 billion, about \$400 million above the 2010 enacted level, but 1.4 percent less than the 2011 budget request. Just as we are doing elsewhere in the Federal Government, you have been asked to do more with fewer resources.

Your budget includes many examples where administrative and overhead costs have been reduced, where programs have been trimmed, stretched out, or suspended to achieve cost savings without significantly degrading critical security requirements. By making these reductions, you were able to preserve essential frontline security operations, for which I applaud you.

I am pleased to see that you continue to prioritize the identification and deportation of convicted criminals, a program that originated after I challenged the Department to prioritize the identification and removal from our country of illegal immigrants who have been convicted of serious crimes. Your budget expands on this priority.

Similarly, I am pleased to see that the budget request includes a significant increase in Coast Guard personnel for marine safety

and environmental response following the Deepwater Horizon disaster, as well as funds for 11 maritime safety and security teams, recognizing that this Subcommittee disagreed with the 2011 request to decommission four of these teams.

Finally, the budget request includes funding specifically to address the substantial rise in threats from homegrown terrorists as well as threats from across the globe. This includes funding within the Customs and Border Protection for additional targeting efforts, the Transportation Security Administration (TSA) for additional aviation and surface security efforts, and intelligence and analysis for additional enhancements to our State and local fusion centers to better manage and coordinate our intelligence-sharing agencies.

So there are many, many items to applaud within this budget request. I also believe there are some challenges that this Committee will need to address with your help, and we will need guidance as we come to grips with these issues.

First, the administration continues to underfund the actual needs for disaster relief funded through FEMA. The 2012 request totals \$1.8 billion, which is likely to last only halfway through the fiscal year, requiring a supplemental early next year.

In addition, FEMA has at least \$6 billion in known catastrophic costs that it must reimburse localities for which are not factored into this budget request, and about half of these costs are expected to come to you in 2012. If we know the costs for ongoing recovery activities associated with large disasters, then I believe it makes sense to budget accordingly rather than to assume that Congress can follow behind with emergency supplemental bills. It is much better for the administration to present Congress with a workable plan to meet these disaster relief obligations by budgeting for them. Otherwise, you are virtually inviting Congress to make budgetary trade-offs without full vetting and guidance from the Department, which I am afraid is exactly what is taking place as we speak as we consider the 2011 continuing resolution for the remainder of the year.

Second, the budget assumes the collection of \$645 million in additional fee revenues for TSA and CBP. This includes an additional \$1.50 in the fees charged to airlines per passenger resulting in \$590 million in additional revenues and an additional \$55 million in new immigration and aviation processing fees for Canada, Mexico, and most of the Caribbean Islands. Both of these fee adjustments require Congress to change authorizing statutes. We all know these fee proposals have been languishing with the authorizing committees for years already, so we are going to need your help in determining how we deal with the \$645 million shortfall in your budget if Congress does not change these fees for 2012. Alternatively, we are going to need the administration to work very seriously with the authorizers to get these proposals enacted.

Finally, I have some reservations about your cuts to automation and construction accounts in your budget, and I would be very surprised if you didn't also have some misgivings.

This Subcommittee has had to fight repeatedly against irresponsible cuts to the front office, irresponsible cuts for construction to new DHS headquarters and related lease-consolidation efforts and to protect your information technology needs. You and your associ-

ates have had to testify repeatedly about the importance of these requirements. Just last year we had a very impressive hearing on the cost savings associated with DHS offices being collocated at St. Elizabeths or in fewer spaces. We were told, and we were told very convincingly, that deferring these investments will ultimately affect frontline operations and will cost us more money in the long run. I want to make sure we are not being penny wise and pound foolish with these cuts, and we will welcome your explanation in this regard.

As we began our hearings to more closely examine the budget, it is important to note that no program or account will be off limits to scrutiny. Our obligation is to take a balanced, realistic approach, to weigh risks carefully, and to make prudent investments in effective security. Secretary Napolitano, I have no doubt that you share this point of view, and I look forward to working again with you this year.

Thank you, Mr. Chairman.

Mr. ADERHOLT. Thank you, Mr. Price.

[The information follows:]



COMMITTEE ON APPROPRIATIONS

David Price (D-NC), Ranking Member, Subcommittee on Homeland Security

EMBARGOED UNTIL DELIVERY (Approx. 2:15 PM)

Andrew High

Wednesday, March 2, 2011

andrew.high@mail.house.gov

Media Contact:

202-225-1784,

**OPENING STATEMENT OF RANKING MEMBER DAVID PRICE
DHS FY2012 Budget Hearing with Secretary Janet Napolitano
March 2, 2011 / 2:00 pm**

Madam Secretary, we welcome you back to kick off our hearings on Department of Homeland Security's Fiscal Year 2012 budget and its ongoing activities.

This past year has been one of major challenges with multiple attempted attacks on our homeland, beginning with the attempted Christmas Day bombing, followed by the Times Square incident, and most recently the air cargo threat from Yemen. You've been confronting continued violence associated with transnational drug cartels along our Southwest border, resulting in deaths of both Customs and Border Protection and Immigration and Customs Enforcement agents; the challenges resulting from the Deepwater Horizon catastrophe; and the constant onslaught of cyber attacks on our government networks and critical infrastructure. I appreciate your constant vigilance in facing so many competing challenges head on, especially as the threats to the homeland have diversified and proliferated.

The 2012 discretionary budget request for the Department of Homeland Security is \$43.2 billion, about \$400 million above the 2010 enacted level (\$42.776 billion), but 1.4 percent less than the 2011 budget request. Like everywhere else in the federal government, you have been asked to do more with fewer resources. Your budget includes many examples where administrative and overhead costs have been reduced, and where programs have been trimmed, stretched out, or suspended to achieve cost savings without significantly degrading critical security requirements. By making these reductions, you were able to preserve essential frontline security operations, for which I applaud you.

I am pleased to see that you continue to prioritize the identification and deportation of convicted criminals, a program that originated after I challenged the Department to prioritize the identification and removal from our country of illegal immigrants who have been convicted of serious crimes. Your budget expands on this priority. Similarly, I am pleased to see that the budget request includes a significant increase in Coast Guard personnel for marine safety and environmental response following the Deepwater Horizon disaster, as well as funds for 11 Maritime Safety and Security teams (recognizing that we disagreed with the 2011 request to decommission 4 of these teams). Finally, the budget request includes funding specifically to address a substantial rise in threats from home-grown terrorists, as well as threats from across the globe. This includes funding within the Customs and Border Protection for additional targeting efforts, the Transportation Security Administration for additional aviation and surface security efforts, and Intelligence and Analysis for additional enhancements to our state and local fusion centers to better manage and coordinate our intelligence sharing activities.

Yet, while there are many items to applaud within this budget request, there are also some challenges that this Committee will need to address, and we will need your guidance and assistance as we come to grips with these issues.

First, the Administration continues to underfund the actual needs for Disaster Relief funded through FEMA. The 2012 request totals \$1.8 billion, which is likely to last only halfway through the fiscal year, requiring a supplemental early next year. In addition, FEMA has at least \$6 billion in known catastrophic costs that it must reimburse localities for, which are not factored into this budget request, and about a half of these costs are expected to come due in 2012. Madam Secretary, if we know the costs for ongoing recovery activities associated with large disasters, then it makes sense to budget accordingly, rather than assume that Congress can follow behind with an emergency supplemental appropriations bill. It is much better for the Administration to present Congress with a workable plan to meet these Disaster Relief obligations by budgeting for them. Otherwise, you're inviting Congress to make budgetary tradeoffs without full vetting and guidance from the Department – which I'm afraid is exactly what is taking place as we consider the 2011 continuing resolution for the remainder of the year.

Second, the budget assumes the collection of \$645 million in additional fee revenues for TSA and CBP. These include an additional \$1.50 in the fee charged to airlines per passenger, resulting in \$590 million in revenues, and an additional \$55 million in new immigration and aviation processing fees for Canada, Mexico, and most of the Caribbean Islands. Both of these fee adjustments require Congress to change authorizing statutes. We all know these fee proposals have been languishing

with the authorizing committees for years already, so we are going to need your help in determining how we deal with the \$645 million shortfall in your budget if Congress does not change these fees for 2012. Alternatively, we're going to need the Administration to work seriously with the authorizers to get these proposals enacted.

Finally, I have reservations about your cuts to automation and construction accounts in your budget. This Subcommittee has had to repeatedly fight against irresponsible cuts to your front office, for construction of the new DHS headquarters and related lease consolidation efforts, and to protect your information technology needs. You, and your associates, have had to testify repeatedly about the importance of these requirements. And just last year, we had a very impressive hearing on the cost savings associated with DHS offices being co-located at St Elizabeths or in fewer spaces. We were told that deferring these investments will ultimately affect front-line operations and cost us more money in the future. I want to be sure we're not being penny wise and pound foolish with these cuts, and I welcome your explanation in this regard.

As we begin our hearings to more closely examine the budget, it's important to note that no program or account will be off limits to scrutiny. Our obligation is to take a balanced, realistic approach; to weigh risks carefully, and make prudent investments in effective security. Secretary Napolitano, I have no doubt that you share this point of view, and I look forward to working with you again this year.

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Mr. ADERHOLT. At this time I would like to recognize the full Committee Chairman and former chairman of this Subcommittee Mr. Rogers.

OPENING STATEMENT: CHAIRMAN ROGERS

Mr. ROGERS. Thank you, Mr. Chairman. And congratulations to you for assuming that chair. I have a warm spot in my heart for that chair on this Subcommittee, and this Subcommittee and the Department. And it is good to be back on the same platform with my friend David Price. We had a wonderful working relationship and still do. And we welcome all the new Members of this Subcommittee.

And thank you, Madam Secretary, for being with us today. This marks the eighth anniversary of the Department. I am proud to say that I was there at the beginning and helped, along with others, nurse it along, and continue to do so, and I always wish you and the Department well.

This is truly an historic time. I don't have to tell you that our Nation has found itself at a crossroads. Over the last 2 years, we have increased discretionary spending by 24 percent, 84 percent if you include the stimulus monies. We are borrowing 42 cents on every dollar we spend. And so it is time to get serious, we have to, about reducing spending and putting a dent in the record-setting deficit that we all abhor.

In that vein, I certainly applaud your efforts to cut costs and limit administrative overhead. I do have some serious concerns about the budget request.

While the President has essentially leveled out non-security spending in his 2012 request, your request is actually \$300 million lower than in fiscal year 2011, marking the first time the Department has decreased its request from one fiscal year to another.

There is no question that the Department plays a vital role in fighting terrorism and keeping our country safe. That is what it is for. And the brave men and women in our law enforcement community ought to be commended for the good work they do, and I do that right now. And that is why, for the past few years, I have pushed and pushed for you to place a stronger emphasis on operations in your budgeting.

I am happy to see that you are taking steps in that direction; however, many of the cost reductions you have noted in your budget request should be further scrutinized. These cost-cutting gimmicks only undermine these great pledges to our men and women on the front lines. The budget proposal simply ignores some \$5 billion in known disaster-relief costs, and offsets other costs with \$650 million in fees that Congress has yet to approve all these years. If we are going to be serious about deficit reduction, we have got to stop fudging numbers.

We have got some tough choices, and I look forward to hearing from you today about the administration's priorities. As I have said many times, when it comes to the security of the country, we should spend all the money we can, but not a penny more. That adage has never been more salient than today when considering the fiscal and security challenges confronting our Nation.

In closing, I note that the estimated costs now of the St. Elizabeths facility has now gone up another \$200 million or so. I asked last year, I think it was, for assurances that the cost that was projected at that time would be accurate and final, but it has already gone up another \$200 million. We have got to find a way to discipline that spending. It is good to be with you and see you.

Mr. ADERHOLT. Mr. Dicks.

OPENING STATEMENT: RANKING MEMBER DICKS

Mr. DICKS. Thank you, Mr. Chairman.

And I want to welcome Secretary Napolitano and congratulate her on the good work that the Department has been doing. I think it has made a lot of improvements. I was on the authorizing committee for three terms, and, to put it bluntly, there was a lot of disorganization at Homeland Security and an inability to do good procurement work.

The issue I am concerned about—I am not going to get into this in great detail today, but I would like to have somebody come up and give me a briefing on this and meet some of your people—on cybersecurity issues. I have served as chairman and ranking member of the Defense Subcommittee and on the Intelligence Committee, and I believe the cybersecurity issue is one of the top three issues that face our country. And the Department plays a major part in this on the “dot.gov” part of the equation and working with the private sector. And it is my understanding, having met with some of the people, I think, from your Department earlier, that the Department doesn’t have all the authorities that it may need in order to deal with the private sector effectively. So, again, I welcome you. But I would like to work this out to arrange it with your office to get this briefing so we can see it.

[The information follows:]

The subject briefing was provided March 7, 2011.

Also, if you would just in your statement talk a little bit about the agreement that you and Secretary Gates agreed to. It is supposed to be a landmark memorandum of agreement. So I would appreciate if you could mention or talk about that a little bit.

Thank you, Mr. Chairman.

Mr. ADERHOLT. Thank you, Mr. Dicks.

OPENING STATEMENT: SECRETARY NAPOLITANO

Mr. ADERHOLT. And again, we welcome the Secretary. And we will turn it over to you for your comments.

Secretary NAPOLITANO. Well, thank you, Chairmen Aderholt, Price, Rogers, Dicks, and Members of the Committee, for the opportunity to discuss President Obama’s fiscal year (FY) 2012 budget for the Department of Homeland Security (DHS). And I would be happy as well to answer questions about the House continuing resolution for FY 2011.

The demands on DHS have never been greater. This is especially true as we remember those at the Department who have given their lives in service to our mission of securing America, including most recently Border Patrol Agent Brian Terry and U.S. Immigration and Customs Enforcement (ICE) Special Agent Jaime Zapata.

Mexico is leading the criminal investigation into the death of Agent Zapata, and we are supporting Mexico through a joint Department of Justice/DHS task force that the Attorney General and I announced 2 weeks ago. Recently Mexican authorities have apprehended some of the alleged killers of Agent Zapata, and we are conducting a number of operations throughout the United States related to the drug cartels.

I can speak for the entire administration when I say we are not only saddened by the loss of an agent, but we are outraged by this act of violence against an officer of the United States. And make no mistake, justice will be brought to those involved. We owe nothing less to the memory of Agent Zapata and to those who are still on the job in Mexico.

Now, the loss of these brave agents is a stark reminder of the sacrifices made by the men and women of DHS every day. It also strengthens our resolve to continue to do everything in our power to protect against, mitigate, and respond to threats, and to make our Nation more resilient for years to come.

Today's threat picture features adversaries who evolve quickly and are determined to strike us here at home, from the aviation system and global supply chain to surface transportation, to critical infrastructure, to our cyber networks.

We are leading the administration's unprecedented effort to strengthen Southwest Border security, coupled with a smart and effective approach to enforcing immigration laws in the interior of the country. And we continue to prepare for, respond to, and recover from disasters of all types.

President Obama's FY 2012 budget for the Department allows us to continue to meet these evolving threats and challenges by prioritizing our essential operational requirements while reflecting an unprecedented commitment to fiscal discipline that maximizes the effectiveness of every security dollar we receive. Reflecting the current fiscal environment and building the FY 2012 budget, all DHS components identified savings associated with the Department's 33 efficiency review initiatives, and we cut administration and overhead, including my own office's budget, by over \$800 million. Savings were realized through efficiencies in acquisition, asset and real property management, as well as employee vetting and credentialing, hiring and onboarding, and information technology. We cut professional services contracts, travel, and nonmission-critical training. We also delayed construction of Federal Emergency Management Agency (FEMA) Offices at the new DHS headquarters at St. Elizabeths and deferred a number of office co-locations as well as building maintenance and enhancements.

My written statement includes a comprehensive list of the operational priorities in the budget request. Today I would like to highlight just a few of those priorities for you.

First, preventing terrorism and enhancing security. Now, this was the founding mission of DHS. It remains our top priority today. This budget safeguards transportation modes through a layered detection system, including the deployment of additional transportation security officers (TSOs), behavioral detection officers, canine teams, and advanced imaging technology (AIT) machines at domestic airports, while expanding watch list vetting

through the Secure Flight program and enhancing screening and targeting of international travelers before they board U.S.-bound flights through the Immigration Advisory Program.

This budget also strengthens surface transportation security by supporting 12 new multimodal Visible Intermodal Prevention and Response (VIPR) teams, which conduct operations throughout the transportation sector to prevent potential terrorist activity. The request also provides funding for the Securing the Cities program to protect our highest-risk cities from a radiological or nuclear attack. In addition, the request makes a significant investment in the National Bio and Agro-defense Facility (NBAF), which will provide enhanced diagnostic capabilities to protect our country from foreign animal and emerging diseases. The request expands support for the national network of State and local fusion centers to enhance baseline capabilities and provide local law enforcement with the tools to address threats in their communities.

To secure and manage our borders, the request continues the administration's historic border security efforts by supporting 21,320 Border Patrol agents and 21,186 Customs and Border Protection (CBP) officers, both all-time highs. The budget includes \$242 million for the continued deployment of proven effective surveillance technology along the highest-trafficked areas of the Southwest Border to better meet the operational requirements of our agents on the front lines. For the northern border, this budget request supports investments in technology tailored to the maritime and cold-weather environment, including proven stand-alone technology to provide immediate operational benefits. And for our Nation's maritime borders, this budget includes funding to continue the essential National Security Cutter program and makes historic investments to recapitalize the Coast Guard's aging assets, including 6 fast response cutters, 40 response boats, as well as a sizeable investment in the renovation and restoration of aging shore facilities.

This budget request also continues the Department's focus on smart and effective enforcement of our Nation's immigration laws, while streamlining and facilitating the legal immigration process.

Building on our record over the past 2 years, the Department will continue to prioritize the identification and removal of criminal aliens who pose a threat to public safety, and target employers who knowingly and repeatedly break the law. The request enables ICE to fund 33,400 detention beds, remove more than 200,000 criminal aliens, and deploy Secure Communities to 96 percent of all jurisdictions nationally in FY 2012, while promoting compliance with work-site-related laws through criminal prosecution of egregious employers, Form I-9 inspections, and continued expansion and enhancement of the E-Verify system. The request also funds immigrant integration efforts, including programs supporting English-language and citizenship education, and continues the detention reform efforts currently under way.

To safeguard and secure cyberspace, the budget increases resources to identify and reduce vulnerabilities in our Nation's key cyber networks. The request includes significant investment to expedite the deployment of EINSTEIN 3 to prevent and detect intrusions on government computer systems, increase Federal network security of large and small agencies, and continue to develop a ro-

bust cybersecurity workforce to protect against and respond to cybersecurity threats. The budget also focuses on combating cyber crime and preventing attacks against U.S. critical infrastructure.

To ensure resilience to disasters, the budget request focuses on moving resources out of Washington, D.C., and into the hands of State and local responders, who are often best positioned to detect and respond to terrorism, natural disasters, and other threats, by sustaining Federal funding for State and local preparedness grants, providing more than \$3.8 billion in FY 2012. This funding includes \$670 million for Assistance to Firefighter grants, and that funding includes \$420 million to rehire an estimated 2,300 laid-off firefighters and retain veteran first responders.

To lead and support essential national and economic security efforts, this budget expands the Coast Guard's operational capacity by funding 50,682 military and civilian positions, and establishes the Coast Guard's first Incident Management Assistance Team, which will be deployed rapidly to support incidents of national significance.

The request also continues to support ICE and CBP efforts and investigative efforts to protect U.S. intellectual property rights, as well as the Secret Service's state-of-the-art forensic support to the National Center for Missing and Exploited Children.

Mr. Chairman, this budget is the culmination of a major first-of-its-kind effort by the Department through the Quadrennial Homeland Security Review as well as the Bottom-Up Review to align our resources with a comprehensive strategy to ensure a safe, secure, and resilient Homeland, while making an unprecedented commitment to fiscal discipline.

Mr. Chairman, Representative Price, Members of the Committee, I want to thank you for this opportunity to testify. I ask that my full statement be included in the record. I am happy to address your questions, particularly as they relate to the Disaster Relief Fund (DRF), to the Transportation Security Administration (TSA) and CBP fees, and to the impact of the FY 2011 H.R.1. Thank you.

Mr. ADERHOLT. Thank you, Madam Secretary, for your opening comments.

[The information follows:]

Statement for the Record

The Honorable Janet Napolitano

Secretary

United States Department of Homeland Security

Before the

United States House of Representatives

Subcommittee on Homeland Security Appropriations

March 2, 2011

Chairman Aderholt, Ranking Member Price, and Members of the Subcommittee:

Let me begin by saying thank you to this Subcommittee for the strong support you have provided me and the Department over the past two years. I look forward to continuing to work with you in the coming year to protect the homeland and the American people.

I am pleased to appear before the Subcommittee today to present President Obama's Fiscal Year (FY) 2012 Budget Request for the Department of Homeland Security (DHS).

The demands on DHS have never been greater and the threats we face pose new challenges that require an innovative and focused response. Today's threat picture features an adversary who evolves and adapts quickly and who is determined to strike us here at home – from the aviation system and the global supply chain to surface transportation systems, critical infrastructure, and cyber networks. The Department's FY 2012 Budget allows us to continue to meet these evolving threats and challenges by prioritizing our essential operational requirements – while reflecting an unprecedented commitment to fiscal discipline that maximizes the effectiveness of every security dollar we receive.

Reflecting the current economic environment, we are preserving essential frontline operations and bolstering our operational strength by decreasing administration and overhead, including the overall budget for the Office of the Secretary and Executive Management. All DHS Components identified reductions associated with the Efficiency Review initiatives currently underway as well as administrative savings totaling nearly \$800 million to strengthen mission critical activities across the Department. Savings were accomplished through efficiencies in acquisition, asset and real property management as well as employee vetting/credentialing, hiring/on-boarding and information technology; and administrative savings through reductions to professional services contracts, printing, supplies and materials, travel, and training. The Department also proposes to delay construction of the Federal Emergency Management Agency (FEMA) headquarters at St. Elizabeths as well as the deferral of other office co-locations, and building maintenance and enhancements to prioritize frontline security operations.

FY 2012 BUDGET REQUEST

The FY 2012 budget request for DHS is \$57.0 billion in total funding, \$47.4 billion in gross discretionary funding, and \$43.2 billion in net discretionary funding.¹

DHS's FY 2012 budget request is the culmination of a major, first of its kind effort undertaken by the Department to align DHS resources with a comprehensive strategy to meet our Nation's homeland security needs. Last year, DHS completed the first ever Quadrennial Homeland Security Review (QHSR), which established a unified, strategic framework for homeland security missions and goals, as well as the first ever Bottom-Up Review (BUR), which aligned DHS' programmatic activities and organizational structure to better serve those missions and goals. The third and final step of this process is the FY 2012 budget submission, which begins the next phase in strengthening DHS efforts to ensure a safe, secure, and resilient homeland.

¹ For purposes of comparison to prior year funding levels, funding for Overseas Contingency Operations and National Science Foundation transfers are not included in these figures.

This process identified six DHS missions, each of which is strengthened by this budget:

Mission 1: Preventing Terrorism and Enhancing Security – Protecting the United States from terrorism is the cornerstone of homeland security. DHS's counterterrorism responsibilities focus on three goals: preventing terrorist attacks; preventing the unauthorized acquisition, importation, movement, or use of chemical, biological, radiological, and nuclear materials and capabilities within the United States; and reducing the vulnerability of critical infrastructure and key resources, essential leadership, and major events to terrorist attacks and other hazards.

Mission 2: Securing and Managing Our Borders – DHS secures the Nation's air, land, and sea borders to prevent illegal activity while facilitating lawful travel and trade. The Department's border security and management efforts focus on three interrelated goals: effectively securing U.S. air, land, and sea borders; safeguarding and streamlining lawful trade and travel; and disrupting and dismantling transnational criminal and terrorist organizations.

Mission 3: Enforcing and Administering Our Immigration Laws – DHS is focused on smart and effective enforcement of U.S. immigration laws while streamlining and facilitating the legal immigration process. The Department has fundamentally reformed immigration enforcement, focusing on identifying and removing criminal aliens who pose a threat to public safety and targeting employers who knowingly and repeatedly break the law.

Mission 4: Safeguarding and Securing Cyberspace – By statute and presidential directive, DHS has the lead for the Federal Government to secure civilian government computer systems and works with industry and state, local, tribal and territorial governments to secure critical infrastructure and information systems. DHS analyzes and reduces cyber threats and vulnerabilities; distributes threat warnings; and coordinates the response to cyber incidents to ensure that our computers, networks, and cyber systems remain safe.

Mission 5: Ensuring Resilience to Disasters – DHS provides the coordinated, comprehensive federal response in the event of a terrorist attack, natural disaster or other large-scale emergency while working with federal, state, local, and private sector partners to ensure a swift and effective recovery effort. The Department's efforts to build a ready and resilient Nation include fostering a community-oriented approach; bolstering information sharing; improving the capability to plan; and providing grants and training to our homeland security and law enforcement partners.

Mission 6: Providing Essential Support to National and Economic Security – DHS leads and supports many activities that provide essential support to national and economic security including, but not limited to: maximizing collection of customs revenue; maintaining the safety of the marine transportation system; preventing the exploitation of children; providing law enforcement training; and coordinating the Federal Government's response to global intellectual property theft. DHS contributes in many ways to these elements of broader U.S. national and economic security while fulfilling its other five homeland security missions.

The following are highlights of the FY 2012 Budget:

PREVENTING TERRORISM AND ENHANCING SECURITY

- *Advanced Imaging Technology (AIT)*: \$105.2 million and 535 positions are included for the Transportation Security Administration (TSA) to purchase, install and operate 275 AITs at

airport checkpoints. The FY 2012 request, combined with prior requests, will result in 1,275 AIT units deployed by the end of 2012. The requested funding covers the cost of new Transportation Screening Officers and managers to operate the new AITs, as well as the associated support and airport management costs. Continuing to increase AIT deployments while ensuring privacy safeguards are in place is critical to address the current threat by safely screening passengers for metallic and non-metallic threats – including weapons, explosives and other objects concealed under layers of clothing.

- *Explosives Detection Systems (EDS)*: \$273 million is requested to support the recapitalization and deployment of state-of-the-art EDS for checked baggage to efficiently screen baggage for explosives, reducing the number of re-scans and physical bag searches. Beginning in FY 2012, over 800 EDS in our largest airports will exceed their planned 10-year service life.
- *Assistant Field Security Directors-Law Enforcement (AFSD-LEs)*: Requested funding of \$22.5 million supports 82 AFSD-LEs currently deployed and provides 22 additional AFSD-LEs for major airports, where they serve as the primary liaison to local law enforcement as AIT expansion continues.
- *Federal Air Marshal Service (FAMS)*: The FY 2012 Budget requests funds to maintain the FAMS surge deployment levels for domestic and international flight coverage that began in response to the attempted terrorist attack on December 25, 2009. Members of the FAMS, TSA's law enforcement entity, are deployed on flights around the world and the United States based on risk in order to detect, deter, and defeat hostile acts targeting U.S. air carriers, airports, passengers, and crews.
- *Enhanced Watchlist Vetting*: \$12.4 million is proposed for maintaining the expanded watchlist vetting initiative, which, through the Secure Flight program, enables TSA to identify individuals who may present a threat to passenger air travel. Through Secure Flight, TSA pre-screens passenger name, date of birth, and gender against terrorist watchlists before passengers receive their boarding passes. In addition to facilitating secure travel for all passengers, the program helps prevent the misidentification of passengers who have names similar to individuals on government watchlists.
- *Immigration Advisory Program (IAP)*: A total request of \$14.1 million will permit the IAP to expand in Paris, Abu Dhabi, Dubai, and Amman. IAP is a part of Custom and Border Protection's (CBP) layered risk-based security approach, which includes working with international partners to post CBP officers at foreign airports and use advanced targeting and passenger analysis information to identify high-risk travelers at foreign airports before they board U.S.-bound flights.
- *Behavior Detection Officers (BDOs)*: The FY 2012 Budget request of \$236.9 million funds 3,336 BDOs, which includes 350 new positions. BDOs serve as an additional layer of security in airports by providing a non-intrusive means of identifying individuals who may pose a risk of terrorism or criminal activity.
- *Canine Teams*: Requested funding of \$125.7 million allows TSA to sustain the deployment of 900 canine teams supported by reallocations made under the continuing resolution, providing an

important layer of security to complement passenger checkpoint screening at airports, assist in air cargo screening and enhance security in the mass transit environment.

- *Visible Intermodal Prevention and Response (VIPR) Teams:* \$109 million requested supports 37 VIPR teams and includes 12 new multi-modal VIPR Teams proposed in the FY 2012 request in addition to the 10 existing teams in Aviation and the 15 VIPR teams dedicated to surface transportation added in the FY 2010 budget. VIPR teams are comprised of personnel with expertise in inspection, behavior detection, security screening, and law enforcement for random, unpredictable deployments throughout the transportation sector to deter potential terrorist and criminal acts.
- *Passenger Security Fee:* The FY 2012 Budget reflects a proposal to increase the Aviation Passenger Security Fee by \$1.50 per enplanement beginning in 2012. The Aviation Passenger Security fee has not changed since the TSA was established following the events of 9/11, even though the overall cost of aviation security has grown by more than 400 percent. The Administration's proposal makes progress towards fulfilling the intent of the Aviation and Transportation Security Act to cover the costs of aviation security through fees and not by the general taxpayers.
- *BioWatch Gen 1/2:* \$90 million is requested to continue operating the Gen 1/2 BioWatch detection network, a federally-managed, locally-operated, nationwide bio-surveillance system designed to detect the intentional release of aerosolized biological agents in more than 30 cities.
- *BioWatch Gen-3:* The FY 2012 Budget provides \$25 million to continue Gen-3 development, which is expected to significantly reduce the time between a release of a biothreat agent and confirmation of that release by BioWatch technology. Operational Testing and Evaluation of Gen-3 technology will begin in one of four test cities in FY 2012 with full deployment expected in FY 2014.
- *Securing the Cities:* \$27 million is requested for Securing the Cities to continue the build-out of the domestic portion of the Global Nuclear Detection Architecture, the multi-layered system of detection technologies, programs, and guidelines designed to enhance the Nation's ability to detect and prevent a radiological or nuclear attack in our highest risk cities.
- *Radiological/Nuclear Detection Systems:* The FY 2012 Budget requests \$57 million for the procurement and deployment of Radiation Portal Monitors and Human Portable Radiation Detection Systems, providing vital detection equipment to CBP and the U.S. Coast Guard to scan for radiological and nuclear threats.
- *Countermeasures and 2012 Presidential Candidate Nominee Protection:* The FY 2012 request funds critical Secret Service operations and countermeasures to protect the first family and visiting dignitaries, including the 2012 presidential campaign and three anticipated National Special Security Events (NSSEs). The budget also restores the Secret Service's base funding – supporting the replacement of protective equipment, vehicles, training of personnel, and other infrastructure to allow the Secret Service to improve the execution of its protective and investigatory missions.

- *National Network of Fusion Centers:* The FY 2012 Budget expands support for the national network of fusion centers in order to provide state and local law enforcement with the tools they need to address threats in their communities. The request focuses on integrating and coordinating cross-Department and cross-government interaction with fusion centers focused on enhancing baseline capabilities.
- *State and Local Law Enforcement Training:* The FY 2012 Budget provides funding to train 64,000 individual federal, state, and local law enforcement personnel through the Federal Law Enforcement Training Center and its total budget of \$276 million.
- *National Bio and Agro Defense Facility (NBAF):* \$150 million is requested to begin construction of the NBAF, which will serve as a new, state-of-the-art biosafety level 3 & 4 facility. Work performed at NBAF will lead to the development of vaccines and anti-virals and enhanced diagnostic capabilities for protecting our country from numerous foreign animal and emerging diseases.

SECURING AND MANAGING OUR BORDERS

- *CBP Law Enforcement:* The FY 2012 Budget supports 21,370 Border Patrol agents and 21,186 CBP officers at our ports of entry who work 24/7 with state, local, and federal law enforcement in targeting illicit networks trafficking in people, drugs, illegal weapons, and money. This reflects the largest deployment of law enforcement officers to the front line in the agency's history. The request annualizes positions supported by the FY 2010 Emergency Border Security Supplemental for the Southwest Border, including 1,000 Border Patrol agents and 250 CBP officers. Funding is provided to support 300 new CBP officers above the FY 2011 Budget and additional canine assets to support Port of Entry operations. The request supports the mobile response surge teams created with the Supplemental funding to respond rapidly to emergent situations without depleting Border Patrol staffing from other locations.
- *New Southwest Border Technology:* \$242 million is requested to support the continued deployment of proven, effective surveillance technology along the highest trafficked areas of the Southwest Border. Funds will be used to procure and deploy commercially available technology tailored to the operational requirements of the Border Patrol, distinct terrain, and population density of each border region. These funds will allow CBP to fully deploy a mix of Integrated Fixed Towers and other mobile equipment in three of the five Border Patrol Stations' areas of responsibility in Arizona.
- *Northern Border Technology:* The request includes \$55 million to support investments in technology systems which address security needs for the Northern Border maritime and cold weather environment, as well as innovative technology pilots. It will also deploy proven, stand-alone technology that provides immediate operational benefits. These demonstrations and deployments explore how best to integrate various sensors, border security organizations, and mission operations in order to optimize border security in this challenging environment.
- *CBP Journeyman:* The request includes \$229 million to fully fund the increase in journeyman grade level for frontline CBP officers, Border Patrol agents, and CBP agricultural specialists from GS-11 to GS-12.

- *Tactical Communications (TACCOM)*: The FY 2012 Budget includes \$40 million to continue the transition of the TACCOM program to a robust, open architecture system that will increase interoperability with other law enforcement, expand coverage, and improve agent safety in the Houlton, El Paso, Laredo, and Rio Grande Valley sectors.
- *National Targeting Center-Passenger (NTC-P)*: A total of \$47 million is requested to enhance CBP's ability to interdict dangerous individuals or terrorists traveling from foreign locations before boarding flights destined for the United States. The funds will be used to hire additional staff and implement enhancements in targeting priorities.
- *U.S. Coast Guard Recapitalization*: The FY 2012 request fully funds the fifth National Security Cutter (NSC), supports 40 Response Boats and six Fast Response Cutters, as well as a sizable investment in the renovation and restoration of shore facilities. The budget also provides resources to ensure that the Coast Guard's aviation fleet is mission-ready through the acquisition of two Maritime Patrol Aircraft, one HH-60 helicopter, and conversion and sustainment projects of multiple aircraft. Funding for the NSC underscores the Department's support of this program which is important to the Coast Guard's long-term recapitalization effort and, most importantly, to allow the Coast Guard to replace its aged, obsolete High Endurance Cutter fleet as quickly as possible. The total request for U.S. Coast Guard Acquisition, Construction, and Improvements is \$1.4 billion.
- *Maritime Safety and Response*: \$115.5 million remains in Coast Guard's base resources for 11 Maritime Safety and Security Teams and their associated 921 personnel, who conduct port security activities and provide support to NSSEs.

ENFORCING AND ADMINISTERING OUR IMMIGRATION LAWS

- *Detention Beds*: The FY 2012 Budget increases U.S. Immigration and Customs Enforcement (ICE) Custody Operations funding by \$157.7 million to support 33,400 detention beds and remove more than 200,000 criminal aliens in FY 2012.
- *Detention Reform*: ICE plans to continue building on its detention reform efforts in FY 2012 by improving detainee access to quality health care, reducing the average length of stay, and facilitating access to family members and legal representation by adding functionality to the recently released online detainee locator system.
- *Worksite Enforcement*: Requested funds continue the Department's focus on worksite enforcement, promoting compliance with worksite-related laws through criminal prosecutions of egregious employers, Form I-9 inspections, civil fines, and debarment, as well as education and compliance tools.
- *E-Verify*: The FY 2012 request continues support for E-Verify operations and enhancements, including continued funding for new monitoring, compliance and outreach positions necessitated by program expansion. The continued success of E-Verify demonstrated by recent independent reports reflect the Administration's commitment to smart, tough, and effective strategies that build a strong foundation upon which immigrants can exercise their rights and responsibilities as Americans.

- *Secure Communities*: A total of \$184 million is requested for Secure Communities – which uses biometric information and services to identify and remove criminal aliens in state prisons and local jails. The \$64 million program increase will expand deployment to 96% of all jurisdictions nationally in FY 2012 and provide resources to confirm the identification of an estimated 199,000 more criminal aliens through interoperability in FY 2012 than FY 2010 and transport more than 44,000 criminal aliens from state and local jails into the custody of ICE following the completion of their sentences. ICE will work with DHS's Office of Civil Rights and Civil Liberties and the Department of Justice to develop a robust oversight and evaluation process of Secure Communities and to provide training to state and local law enforcement. Secure Communities is on track for nationwide deployment by 2013.
- *Visa Security Program*: The Budget requests \$29 million to continue the Visa Security Program at current locations. This program enhances national security by preventing terrorists, criminals, and other ineligible applicants from receiving visas.
- *Immigrant Integration*: The FY 2012 request expands U.S. Citizenship and Immigration Services' (USCIS) effort to support immigrant integration efforts, including funding for new programs supporting English language acquisition and citizenship education.
- *SAVE*: The FY 2012 request continues support for USCIS SAVE operations and enhancements to assist state, local, and federal agencies in determining individuals' eligibility for public benefits based on their immigration status.
- *USCIS Business Transformation*: The FY 2012 request continues the multi-year effort to transform USCIS from a paper-based filing system to a customer-focused electronic filing system.

SAFEGUARDING AND SECURING CYBERSPACE

- *Federal Network Protection*: \$233.6 million is requested to expedite the deployment of EINSTEIN 3 to prevent and detect intrusions on computer systems and to upgrade the National Cyber Security Protection System, building an intrusion detection capability and analysis capabilities to protect federal networks.
- *Federal IT Security Assessments*: A total of \$40.9 million in requested funds will support the Department's efforts to strengthen Federal Network Security of large and small agencies by conducting an estimated 66 network assessments to improve security across the Federal Executive Branch.
- *Cybersecurity Workforce Needs*: \$24.5 million is proposed to provide high-quality, cost-effective virtual cybersecurity education and training to develop and grow a robust cybersecurity workforce that is able to protect against and respond to national cybersecurity threats and hazards.
- *Cyber Investigations*: The FY 2012 Budget continues to support cyber investigations conducted through the Secret Service and ICE, targeting large-scale producers and distributors of child pornography and preventing attacks against U.S. critical infrastructure through Financial Crimes Task Forces.

- *Cyber Mission Integration:* The FY 2012 request includes \$1.3 million to enable DHS to coordinate national cyber security operations and interface with the U.S. Department of Defense's (DOD) National Security Agency (NSA) at Fort Meade, Maryland. This funding will support a landmark memorandum of agreement signed by Secretary Napolitano and Secretary of Defense Robert Gates that aligns and enhances America's capabilities to protect against threats to critical civilian and military computer systems and networks.
- *Cybersecurity Research:* The FY 2012 request includes an increase of \$18 million for the Comprehensive National Cybersecurity Initiative to support research and development projects focused on strengthening the Nation's cybersecurity.

ENSURING RESILIENCE TO DISASTERS

- *State and Local Grants:* The FY 2012 request sustains federal funding for state and local preparedness grants totaling over \$3.8 billion, highlighting the Department's commitment to moving resources out of Washington, D.C. and into the hands of state and local first responders who are often best positioned to detect and respond to terrorism, other threats, and natural disasters.
- *Assistance to Firefighters Grants:* The FY 2012 request includes \$670 million. Included in this amount are \$420 million for Staffing for Adequate Fire and Emergency Response (SAFER) Grants to rehire laid off firefighters and retain veteran first responders – totaling 2,300 firefighter positions – and \$250 million for equipment, training, vehicles, and related materials.
- *Disaster Relief Fund (DRF):* \$1.8 billion is requested for the DRF to allow FEMA to continue to address the impacts of a disaster on individuals and communities across the Nation. The DRF provides a significant portion of the total federal response to victims in presidentially declared disasters or emergencies.
- *Regional Catastrophic Event Planning:* \$8.5 million is requested to continue development of catastrophic plans, with a focus on plans for response to biological events and earthquakes.
- *National Exercises:* FEMA's participation in National Level Exercise-12, an exercise to test FEMA's ability to respond to a catastrophic cyber attack, is funded with \$3 million through the request.
- *Emergency Management Oversight:* The FY 2012 request includes \$20 million for the Office of the Inspector General to continue its Emergency Management Oversight operations.

PROVIDING ESSENTIAL SUPPORT TO NATIONAL AND ECONOMIC SECURITY

- *Patrolling the Exclusive Economic Zone:* The Coast Guard patrols the U.S. Exclusive Economic Zone boundary areas to reduce the threat of foreign poaching of U.S. fish stocks and ensure compliance with international living marine resource agreements. The budget includes \$47 million to extend the service life of five Medium Endurance Cutters critical in support of this mission.

- *U.S. Coast Guard Staffing:* The request strengthens the Coast Guard's operational capacity by funding a total of 50,682 civilian and military personnel in FY 2012.
- *Enhancing Maritime Safety:* The FY 2012 Budget requests \$686.3 million and 4,717 FTEs for the Coast Guard's maritime safety activities. The FY 2012 Budget provides 105 new Marine Safety Inspectors and Investigators to staff ship inspections and post-incident investigations.
- *Enhancing Marine Environmental Protection and Response:* The FY 2012 Budget requests \$225.2 million and 1,362 FTE to enable the Coast Guard to conduct Marine Environmental Response. This includes 87 new environmental response personnel and creates the Coast Guard's first Incident Management Assistance Team, a highly trained team that will be deployed rapidly to augment the Coast Guard command structure when an incident of national significance occurs.
- *Investigate Cultural Antiquity Trafficking and Coordinate Repatriation:* The FY 2012 Budget continues to support ICE seizures and repatriation of cultural property, art and antiquities illegally imported into the United States and the investigation of illegal trafficking of artwork, especially works that have been reported lost or stolen.
- *Forensic Support for Missing and Exploited Children:* Funding is requested for the Secret Service to provide forensic support to the National Center for Missing and Exploited Children, which provides state of the art forensics support for investigations involving missing and exploited children and grant funds for activities related to the investigations of missing and exploited children.
- *Collect Customs Revenue:* Funds are requested to support CBP's role as a revenue collector for the U.S. Treasury – customs revenue remains the second largest source of revenue for the U.S. government. Customs and Border Protection has set revenue collection as a Priority Trade Issue to ensure effective internal controls that protect the duties and taxes (over \$29 billion in 2009) collected for the U.S. Government.
- *Protect U.S. Intellectual Property Rights:* The FY 2012 Budget request funds to support CBP's enforcement program to prevent trade in counterfeit and pirated goods, and enforce exclusion orders on patent-infringing and other Intellectual Property Rights violative goods. The ICE HSI Intellectual Property Rights (IPR) Center investigates the smuggling and distribution of counterfeit goods and products that pose risks to public safety and security. Counterfeit pharmaceuticals and critical technology components, such as computer chips for defense systems and airplane equipment, were among the top seized commodities in IPR investigations.

MATURING AND STRENGTHENING THE HOMELAND SECURITY ENTERPRISE

Maturing and strengthening the homeland security enterprise – the collective efforts and shared responsibilities of federal, state, local, tribal, territorial, nongovernmental, and private-sector partners, as well as individuals, families, and communities – is critical to the Department's success in carrying out its core missions and operational objectives. This includes enhancing shared awareness of risks and threats, building capable communities, and fostering innovative approaches and solutions through cutting-edge science and technology, while continuing to foster a culture of

efficiency, sustainability in accordance with EO 13514 and fiscal responsibility and streamline management across the Department.

While the Department proposes significant cuts to administrative support across all components in order to maintain frontline operations, the following activities are supported through the FY 2012 Budget:

- *St. Elizabeths*: \$159.7 million is requested for the St. Elizabeths project. This funding enables DHS to complete the Coast Guard Headquarters facility and to continue work on the National Operations Center. The request, however, will defer the FEMA headquarters consolidation.
- *Transformation and Systems Consolidation (TASC)*: The FY 2012 Budget proposes \$11 million to fund the TASC program, which supports the modernization of the Department's financial, asset, and acquisition management systems – a key priority for the Department and a step towards addressing recommendations on the GAO High Risk list.
- *Acquisition Workforce*: \$24.2 million in requested funds will increase the Department's acquisition workforce capacity by 150 positions, including additional systems engineers, program managers, logisticians and business cost estimators, to ensure operational requirements are properly developed and included in DHS contracts and to provide greater oversight and accountability. This too, is consistent with previous recommendations from the Government Accountability Office and Inspector General.
- *Information Security and Infrastructure*: \$32.3 million is requested to establish a unified email network for DHS-wide use, and provide Single Sign-On and other capabilities. These activities will leverage technologies to strengthen DHS operations and enhance communications with federal, state, local, and private sector partners.
- *Coast Guard Housing and Child Care*: The health and welfare of military families is the heart of Coast Guard operational readiness. The FY 2012 Budget includes \$29 million to address critical housing shortfalls and improve access to affordable, quality childcare. These initiatives will ensure Coast Guard members can maintain both strong families and a high state of readiness.

CONCLUSION

The FY 2012 budget proposal reflects this administration's strong commitment to protecting the homeland and the American people through the effective and efficient use of DHS resources. As outlined in my testimony today, the Department will continue to build upon past successes in several areas including securing U.S. air, land, and sea borders; safeguarding lawful trade and travel; securing federal networks; and disrupting and dismantling transnational criminal and terrorist organizations that engage in cross-border criminal activity while maximizing every taxpayer dollar we receive.

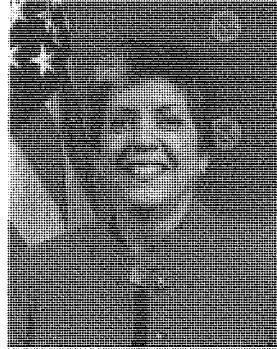
Thank you for inviting me to appear before you today. I look forward to answering your questions and to working with you on the Department's FY 2012 Budget Request and other homeland security issues.

Secretary Janet Napolitano

Janet Napolitano is the third Secretary of the Department of Homeland Security and is leading our nation's collective efforts to secure our country from the threats we face - from terrorism to natural disasters.

To counter the threat of terrorism, Napolitano has forged new partnerships with international allies, and expanded information sharing with federal, state and local law enforcement - building a collaborative effort to detect and disrupt threats early on.

She has initiated a new, more strategic course to strengthen security along our southwest border, deploying additional personnel and advanced technology, while working closely with Mexico to combat violent international drug cartels - resulting in increased seizures of illegal contraband along the border and throughout our country's interior.



Napolitano also has forged a smart and effective approach to enforcing our immigration laws and prioritizing public safety while targeting criminal aliens and aggressively pursuing employers that knowingly take advantage of illegal labor.

She has strengthened the nation's ability to prepare for, respond to and recover from disasters by cutting through red tape and expediting decision-making along the Gulf Coast, providing new resources to build resilient communities and bolster their response capabilities, and calling on all Americans to play a role in the shared responsibility of making our homeland secure.

In each of these areas - counterterrorism; border security; immigration enforcement; and disaster preparedness, response and recovery - Napolitano is building upon the skills and resources of this young department by deploying the best that science and technology have to offer; reinvigorating partnerships with state, local and tribal governments and the private sector - our nation's first detectors and first responders; and implementing a bold Efficiency Review that is making the Department a leaner, smarter agency better equipped to protect the nation.

Prior to becoming Secretary, Napolitano was in her second term as Governor of Arizona and was recognized as a national leader on homeland security, border security and immigration. She was the first woman to chair the National Governors Association and was named one of the top five governors in the country by Time Magazine. Napolitano was also the first female Attorney General of Arizona and served as U.S. Attorney for the District of Arizona.

Napolitano was born in New York City and grew up in Pittsburgh, Penn., and Albuquerque, N.M. She graduated from Santa Clara University, where she won a Truman Scholarship and was the university's first female valedictorian, and received her Juris Doctor from the University of Virginia School of Law. Before entering public office, Napolitano served as a clerk for Judge Mary M. Schroeder on the U.S. Court of Appeals for the Ninth Circuit and practiced law in Phoenix at the firm of Lewis and Roca.

Biographical information from the Department of Homeland Security

DISASTER RELIEF FUND

Mr. ADERHOLT. And certainly FEMA's disaster relief fund is something I think of concern. FEMA has requested \$1.8 billion in the fiscal year 2012 request for the DRF, and there are no funds requested for prior-year catastrophic events.

The bottom line is that your fiscal year 2011 budget and your fiscal year 2012 request do not support these disaster relief costs for the rest of the year or next, and we would like to know your plan in regard to that. How will you complete the year when you are clearly short of required funding for fiscal year 2011 by \$1.6 billion?

Secretary NAPOLITANO. Mr. Chairman, a few, I think, salient points in response to that.

First, one of the things that we have focused on is going backward in FEMA and returning funds to the DRF that had previously been obligated but not used. By that process, we returned approximately \$2 billion to the DRF in FY 2010, and those efforts continue to be under way.

Secondly, for many, many years, under both Republican and Democratic administrations, under different majorities in the Congress, the DRF has been funded by taking a rolling average of non-catastrophic disasters, in this case a 5-year rolling average of non-catastrophic disasters, which are disasters that are less than \$500 million, and that average goes into the DRF base. But because of unpredictability and other factors, including, for example, years after the fact, the ability to go back and see what was actually used and to deobligate funds, the Congress and the administration have relied on supplementals to support the DRF. I think it is the administration's intent to come back when there is an appropriate number and work with the Congress on what a supplemental would look like for the DRF in accord with historic practice.

Mr. ADERHOLT. What is the funding requirement for fiscal year 2012 for prior-year catastrophic events?

Secretary NAPOLITANO. For prior catastrophic events? It is hard to say given the deobligation issues. I would say, the funding requirement is approximately between \$2 billion and \$3 billion.

Mr. ADERHOLT. But clearly these costs are not measured in fiscal year 2012; is that correct?

Secretary NAPOLITANO. They are not in the baseline budget. That is correct.

Mr. ADERHOLT. Madam Secretary, as we stated earlier, your budget request significantly underfunds DRF for 2012 because of that reason, based on your comments that you foresee that there will be an emergency request over the next several months for fiscal year 2012.

Secretary NAPOLITANO. What we anticipate, Mr. Chairman, is that we would proceed as the DRF has been handled historically, which is, yes, to finish the fiscal year with supplementals related to catastrophic disasters.

Mr. ADERHOLT. And I think the concern is, and we have sort of been dancing around it, that it is really a "truth-in-budgeting" issue. The historic data shows that the funding for some of these disasters is in the billions of dollars, and we know that it will be.

So I'm concerned that you are not bringing that up into the current request, and it really just comes down to a truth-in-budgeting issue from the beginning I think. This is a concern to this Subcommittee.

Secretary NAPOLITANO. Mr. Chairman, we are happy to work with you on the DRF issue. As I said before, the budget has been written in accord with how the DRF has always been handled, in part because of the unpredictability of the size of disasters when a budget is submitted. But we are happy to work with you. And as I stated, the intent of the administration would be to seek an appropriate supplemental at the appropriate time.

AVIATION SECURITY FEE INCREASE: FEASIBILITY IN FY 2012

Mr. ADERHOLT. Let me move on, because I do know that we have votes that will be coming up soon. I know you have to be out later this afternoon for other obligations. So let me move on to the issue of user fees, aviation security, and Customs.

In the fiscal year 2012 request, it assumes an increase in the aviation passenger security fees and a change in the COBRA fee for Customs processing. Given the difficulty in getting aviation security fee increases and Customs fee changes enacted in the past, I guess the question that I would pose to you is: is it realistic to think that your proposals can get implemented this year?

Secretary NAPOLITANO. Well, we will work with the authorizers. And, indeed, I have been speaking with the authorizers about the need for this. But it seems to me, Mr. Chair, that in this era of fiscal discipline, one of the things that we ought to be looking at is what is the true cost of an enplanement security fee, what is the true cost in Customs.

The security fees have not been adjusted for TSA since 2002, and the plain fact of the matter is that we know that aviation remains a key target of our adversaries. We know that we have to provide additional security. We know that a small increase in the security fee enables us to do this and cover all of the security responsibilities we have against all the modes of transportation.

So we will work with this Committee; we will work with the authorizers. But the consequence of not having these fees is very serious for the operations of this Department. It is effectively another \$600 million out of operations that would come directly out of the front line.

Mr. ADERHOLT. So if the fees are not implemented in time, then how do you foresee filling in that \$600-plus million gap?

Secretary NAPOLITANO. First of all, we assumed that they would not be ready by the beginning of the fiscal year, so the number that we use is only for the third and fourth quarters of the fiscal year 2012, in part because there needs to be a rulemaking associated with the fees. But we have been to this Congress before. We are here at this Congress again. I think in this fiscal time, the authorizers are perhaps more receptive to acknowledging that this should come out of almost a user fee, a security fee arrangement, as opposed to out of the general tax base.

Mr. ADERHOLT. Well, and certainly that is our concern here on the Subcommittee, and we have discussed this, is the fact that the reality of these, they may not be implemented in time. And so that

would be something that again we would be concerned about, and we want to just bring that to your attention.

Let me go to Mr. Price now and turn the mic over to him.

GOVERNMENT SHUTDOWN: POTENTIAL IMPACT ON DHS

Mr. PRICE. Thank you, Mr. Chairman.

Madam Secretary, the President has a few hours ago signed a 2-week extension of the continuing resolution to keep the government running. After that it is anybody's guess as to what extent the new House leadership is interested in responsibly discharging their duties, or whether they will continue to insist on slashing domestic programs, which individually and cumulatively threaten to stall the recovery, while ironically leaving 88 percent of the budget untouched.

Having said that, many are drawing comparisons to the split between the Republican Congress in 1995 and President Clinton on the budget, which led to a government shutdown. The Department of Homeland Security, of course, was not around when that happened.

In this uncertain budget requirement, have you been considering the implications of a budget impasse and a potential shutdown? What impact would this have, or indeed has it already had, on DHS?

Secretary NAPOLITANO. Well, I think, Representative Price, managing a large agency by continuing resolution is extraordinarily difficult. We are already halfway through the fiscal year, and you are trying to make plans about how many agents you have to put where, where your equipment could be, will you have it, can you fix this, so forth.

In terms of the 2-week extension and the possibility of an impasse and a shutdown, because we were not around in 1995, we have been looking at what would be shut down and what would be exempt. We have made some judgments that are internal to the Secretary's office right now as to what would stop, what would be partially stopped, and what would need to continue. I think it is fair to say that frontline personnel would continue. But those who support the frontline personnel and enable them to do their job most effectively, a number of those types of positions would not be able to be sustained.

The thing I am also concerned about, I must say, is that a number of our frontline positions are not very well paid: Border Patrol officers, TSOs in our airports, the ones we really rely on to be the last line of defense for entry into the country or protection of an aircraft. Many of our employees live paycheck to paycheck. And even when you work under a shutdown scenario, you don't get paid until Congress catches you up. That is a hardship as well.

So we are hopeful. I am hopeful that this will be worked out, and that Congress will reach a resolution on fiscal year 2011. I thought I would share that with you.

Mr. PRICE. Thank you. It does strike one that so many of your personnel are, in effect, waiting for some kind of disaster to strike, most obviously in FEMA with natural disasters. There is a kind of depth of capacity that is required that is not immediately engaged in an emergency maybe, but nonetheless needs to be on call at very

rapid notice. In that kind of situation, it strikes me as especially difficult to discern between essential and less essential personnel, or emergency and nonemergency personnel.

Secretary NAPOLITANO. Representative Price, you are exactly right. It is going to be, in some of these areas very, very difficult to make those judgments. And, again, even for those who are deemed exempt from a shutdown, they will be undergoing financial hardship.

H.R. 1: IMPACT ON DHS FUNDING

Mr. PRICE. Let me, in the limited time I have remaining, go back to this question of how we fund for emergencies. And there clearly is an ongoing discussion we need to have here, but I don't have a hard time concluding that whatever one thinks about what the initial budget should look like, it is not a very good practice in the middle of the fiscal year to cannibalize other DHS accounts to pay for unaccounted-for costs. In fact, H.R. 1, reduces DHS funding to levels prior to the 2009 Christmas Day attack to pay for disaster relief. That is not an ideal situation, to put it mildly, and I don't think we ought to replicate it in the future.

So I wonder if you could tell us today, what are the consequences of lowering the boom in this way, halfway through the fiscal year, by cutting 1 point—\$5.65 billion in DHS activities to make up for the disaster relief shortfall?

Secretary NAPOLITANO. Well, H.R. 1 has some very serious impacts for the Department. I mean, there are impacts on counterterrorism. We will cut the number of AIT machines we were intending to deploy to protect lanes at airports in half. We will cut the number of explosive trace detection machines that we could make available by half. We will cut the number of canine teams by almost two-thirds. This will have an impact on aviation security.

It does, Mr. Chairman—I think we have a disagreement on this point, but in my reading of it, 250 ICE agents who are currently paid for would not be paid for under the H.R. 1. That is a problem. And we can talk about why that is, but that is our count. It could reduce FEMA grants by almost \$1 billion. And, as you know, that really will affect State and local preparedness.

I could go on, but there are very real operational impacts by H.R. 1 because does not fund the President's requested FY 2011 budget.

DISASTER RELIEF FUND

Mr. PRICE. We need to have an ongoing discussion about the normal practice for disaster funding and including it into the budget. I don't perceive any disagreement at all about the dire consequences of lowering the boom in this way halfway through the fiscal year. That is what I wanted to get you to elaborate on, and I would invite you to elaborate further for the record.

Before my time expires, though, let me ask the obvious remaining question. Does this mean we will be expecting a supplemental from you? Would you expect that you would be submitting a disaster relief supplemental sometime later this year?

Secretary NAPOLITANO. Representative Price, as I stated earlier, the budget was planned based on the historical practice, which is,

yes, you fund the base, and then you seek a supplemental. So the answer is yes. And we would work with the Committee on that.

Mr. PRICE. Thank you, Mr. Chairman.

Mr. ADERHOLT. Madam Secretary, you mentioned the ICE agents, and I am forced to respond to that, because H.R. 1 actually does provide an increase to ICE above FY 2010 based upon technical budget assistance that your staff provided the Committee. H.R. 1 sustains all ICE agents, especially those deployed along the Southwest Border, and supports the same 33,400 bed funding that it did in fiscal year 2010. In fact, H.R. 1 actually increases the numbers for CBP, ICE, and the Coast Guard above the fiscal year 2010 level, and sustains the funding for TSA operational functions and all the intelligence officers across the Department. So I did want to point that out.

Now I would like to recognize the full Chairman, the former chairman of this Subcommittee, Mr. Rogers for questions.

AVIATION SECURITY FEE INCREASE: JUSTIFICATION FOR FY 2012

Mr. ROGERS. Thank you, Mr. Chairman.

Just a note about the proposed fee increase. There you go again. We have been facing this for years. Every year, whomever the Secretary was always comes in with this fee increase, knowing that Congress is not going to do it, and we won't do it. And we don't know yet what you would do to replace that big \$600 million hole, and my information is that your budget request assumes that that fee would be in place for all of 2012 to produce \$589,940,000, not the last quarter but the whole year. That is the justifications that I have seen.

Secretary NAPOLITANO. Mr. Chairman, first of all, I think in response to the Chairman's last comment, I believe our staffs need to get together. There clearly is a strong difference of opinion as to what H.R. 1 does to ICE agents.

With respect to the fee, Mr. Chair, it seems to me that in an era of fiscal restraint or fiscal discipline, or whatever we want to call it, we all know we have a tough fiscal time. And this is a dire situation. To continue to come back, as I now have, the third Secretary, and say we need to have a security fee for enplanement that is commensurate with the cost of providing the security, to say that the fee is a no-go from the outset, to me, means that the general taxpayer has to pick up the cost or the income generated.

Now, the airlines have not experienced any deleterious impact by imposing fees to check baggage or to buy a Coke on an airplane. And it seems to me that, at this particular juncture, where the Federal budget is under stress, resuscitating this idea as a real idea that makes sense from a policy and a fiscal perspective is the right thing to do. We will work with the authorizers on that. I have already done that. And we want to work with this Committee on it. But right now we are stuck with a fee that in no way covers the actual costs of the service we are providing.

Mr. ROGERS. Well, it has been proposed every year since I have been chairman of the Subcommittee, I think, virtually every year, and we always turn it down. And I don't see any change in that this time.

Secretary NAPOLITANO. Well, this is the first year, Mr. Chairman, respectfully, that we have been in this kind of a fiscal situation. So if I might respectfully request, everything deserves a fresh look, and this does as well.

TRANSPORTATION SECURITY ADMINISTRATION: PERSONNEL CAP

Mr. ROGERS. Well, whatever the Ways and Means Committee or whomever does, we have to find \$600 million. It is a plain fact. And we can't rely upon this fee being authorized, because it never has been, and it has been tried year after year.

But I wanted to move on to something else. I have been a proponent on this Subcommittee all along of trying to utilize electronics and equipment and mechanization to the maximum to try to help us with the personnel costs of TSA. And you have pushed that, too. But I don't see us making much headway. I think the employment level at TSA is now at 52,269. I remember when we put a cap on the employment levels at TSA a few years ago at 45,000 just for screeners. And I don't see much impact mechanization or using of equipment and machinery is doing us much good in reducing the personnel at TSA. I know the airports I fly through, I see a lot of personnel not doing anything, and I think that is the universal thing that practically all of us would agree to.

In H.R. 1, we reintroduce the FTE levels at 46,000 in an attempt to prompt you to more closely examine your requirements. And I know that we are placing some new machines in out there that are going to require probably more personnel, but I don't see us saving personnel on the other side of that equation. What do you say about a cap again of 46,000 in TSA?

Secretary NAPOLITANO. Well, Mr. Chairman, I have some real problems with that for several reasons. One is I don't know where the 46,000 came from. It could be 47-; it could be 48-.

But second, once this Congress sets a cap, it is like setting our security fee in 2002; getting that changed, no matter the circumstances, can be very, very difficult.

And, number three, as you have noted, we are now installing AIT machines. The threat in aviation is different than it was several years ago. It is different in the sense that our adversaries are now clearly using or trying to use and get onto planes material that is nonmetallic in nature—powders, gels, or liquids—that could be used as an explosive. And that means that we have to move into, and quickly, this next-generation machinery, the AITs. Our budget supports the personnel necessary to put 500 more AITs on airport lanes in fiscal year 2011.

And then, last, I think it is important to note that the security laydown in an airport is not all constituted by TSOs who you observe there. There are undercover TSOs, there are behavioral detection TSOs, and there are also individuals who operate in canine teams in the airports. So there is a whole mixture of things, different layer of things necessary to secure the air environment.

So my view is, or my judgment is that, rather than an arbitrary cap, we work together to make sure that we have got the right mix of technology and personnel every year necessary to meet the threats that we have.

Mr. ROGERS. Well, I agree with you on that, but I don't think I have seen enough effort to get technology involved to replace personnel that in off times during the day at the airport have nothing to do during the non-peak hours.

Secretary NAPOLITANO. Well, if I might, Mr. Chairman, again, one of the consequences of H.R. 1 is it cuts in half our Science and Technology budget. That is the budget that funds, among other things, the research that we are doing with the national labs to look at the checkpoint of the future. How do we get beyond what we have now and get to something that allows people to keep their shoes on and to carry a large bottle of water on a plane and so forth? The technology simply doesn't exist right now to do that or to do it safely. That is in the research and development part of the budget and—S&T, Science and Technology, excuse me. Sorry for using acronyms. And that itself, that whole budget was cut 50 percent in the continuing resolution.

Mr. ROGERS. Well, you are asking for an additional 510 transportation security officers assumedly to be financed by the fee increase. But an increase of 510 additional officers on top of what we have, when I see at the airports that I travel through personnel that could easily handle the new machines without any increase in personnel at that airport, what do you say about that?

Secretary NAPOLITANO. Well, I can't speak to what you see at which airports. All I can say is we know now, with pretty hard certainty, what it takes to operate an AIT for the number of hours it needs to be operated in an airport environment, and our budget and the personnel we request is based on that. It is actual experience.

Mr. ROGERS. Madam Secretary, thank you.

Secretary NAPOLITANO. Thank you, sir.

CYBERSECURITY: AGREEMENT WITH DEPARTMENT OF DEFENSE

Mr. DICKS. I know we are short on time here, and we have to go vote. Tell us about what you are doing on cybersecurity and what this agreement you reached with Secretary Gates will accomplish.

Secretary NAPOLITANO. The agreement with Defense Secretary Gates allows us to co-locate personnel. He has some folks in our shop; we have some folks in his. More importantly, Representative Dicks, it enables us to be able to use or have access to the technological resources of the National Security Agency. We have people now located there. We have a lawyer with them, and we have a privacy officer with them, because there are different rules that apply in the civilian environment than the military. But the resources of the NSA are key.

CYBERSECURITY: AUTHORITY OVER PRIVATE SECTOR

Mr. DICKS. That is good.

Now, my time is very short. What about authority? Do you need more authority over the private sector to get them to do the things necessary to protect themselves? Talking about utilities, financial institutions, things of that nature, that could be vulnerable.

Secretary NAPOLITANO. The subject of authorities is something that we would like to discuss with you. The answer is we have

been working with different committees as a cyber bill was being prepared, looking at clarifying and improving on the authorities we do have. Yes, sir.

Mr. DICKS. How does the private sector do on their own? Are they taking this threat seriously? I understand that \$1 trillion has been lost in intellectual property worldwide because of cyberattacks.

Secretary NAPOLITANO. It—

Mr. DICKS. That is a big deal.

Secretary NAPOLITANO. It is a big, big deal. And I would say that we have good connectivity with some sectors of the private sector and not so good with some others. It varies. But some of the key ones, for example, financial institutions, the connectivity is very good.

Mr. DICKS. Thank you.

Mr. ADERHOLT. Let me thank you, Madam Secretary. We have a vote, as you probably know by now. I know you have to leave at 5:00 today.

Secretary NAPOLITANO. 4:45, excuse me, sir, for a 5 o'clock.

Mr. ADERHOLT. What we are going to do is when we vote, quickly come back. I know some other Members want to ask a few questions.

Secretary NAPOLITANO. I will try to keep my answers shorter.

Mr. ADERHOLT. I will encourage everyone to hustle back right after the vote. Thank you.

[Recess.]

Mr. ADERHOLT. Mrs. Lowey, you are recognized.

URBAN AREAS SECURITY INITIATIVE: FUNDING

Mrs. LOWEY. Thank you, Mr. Chairman. Thank you very much. And it is also a pleasure to be with you today. We thank you for your service and your leadership.

Let me start by saying I appreciate that the fiscal year 2012 request proposes increased funding to the Urban Areas Security Initiative, the UASI program. However, a \$34 million increase in UASI funding strikes me as insufficient if we are, in fact, at our most heightened state since 9/11, as you recently said, and when the program is authorized at \$1.3 billion for fiscal year 2012. Given the grave threats we face, why is the administration request nearly \$400 million below the authorized level for this program?

Maybe I will ask the rest of the questions. That is the first. Along those lines, UASI funding has continually been diluted by increasing the number of recipients. What started as a program for 7 urban areas now serves 64. Every area of the country deserves funds, I want to make that very clear, but not from the high-risk program. I attached an amendment to the CR to limit UASI funding to the top 25 highest-risk regions, restoring the program to its original intent. So will you commit once and for all to stop using the UASI program as a form of DHS pork-barrel spending and limit recipients to only high-risk, high-density urban areas for which it was dedicated?

Secretary NAPOLITANO. Well, Representative, first of all, the President's fiscal year 2012 budget for grants maintains the overall grant level, about \$3.8 billion. It also requests that we be allowed

to consolidate grants so that grants can be used by localities for various purposes. I think we now have 17 different grant programs that have been established over time. We think that can be compressed to everybody's advantage.

With respect to the UASI or the tiering of high-risk locales, we have a methodology we use to evaluate risk. As I mentioned at a hearing earlier, another hearing earlier this morning, there are risks that you can identify in all areas of the country. And so one of the things that happens is that, through formula requirements of the Congress, all areas of the country get at least some base level for preparedness, for response, and the like. We will continue to work to refine that. We will continue to work with the Congress to make sure the money is going where it will have the most beneficial effect.

And last, one of the things I would mention is that the President has requested funding this year for the Securing the Cities program, which is a program to fund sensors for radiological or nuclear devices. It is being piloted in New York, particularly around devising sensors for the tunnels and the bridges there. And we hope that if the President's fiscal year 2012 budget is funded, we would be able to add one more pilot location at a major U.S. city as well.

Mrs. LOWEY. Well, let me just say I have been to that location, and I hope to bring the Chair to New York and perhaps the airports just to see the money in action. And I am very impressed with what Commissioner Kelly is doing with that money. And I am glad that there was wise decision made so that would be in the budget.

But I do hope you will look at the UASI funding again, because I want to make it very clear, I am not thrilled about being "number one" as a New Yorker and living in a high-threat area, but to divide the money, that money that is for high-threat areas. Where areas should be getting other funds, fine, everyone needs funding, but if this started with 7, and it is now at 64, I think 25 might be a reasonable number for this program, and others can apply for other programs. So I would appreciate your consideration.

Secretary NAPOLITANO. Thank you.

Mrs. LOWEY. Thank you.

Mr. ADERHOLT. Mr. Dent.

CHEMICAL FACILITY SECURITY

Mr. DENT. Thanks, Mr. Chairman.

Good to see you, Madam Secretary. Just a couple things. On chemical plant security, chemical facility security rather, we passed legislation in 2009 on Chemical Facility Anti-Terrorism Standards (CFATS) with some adjustments, including implementation of the inherently safer technology (IST) issue. I have introduced legislation again this Congress to extend the CFATS for about 5 years, up to 2015. Do you support a long-term extension of these CFATS regs?

Secretary NAPOLITANO. Yes.

Mr. DENT. Very good. And if IST was federally mandated, does the Department have the professionals in place to implement the IST requirement on regulated chemical facilities?

Secretary NAPOLITANO. Let me check back on that, because I don't want to give you an inaccurate answer. My understanding is that we would be—as in all things CFATS related, we would stack up appropriately.

[The information follows:]

Representative Dent's office was contacted March 21, 2011 and briefed on the capability. A follow-on briefing involving Undersecretary Beers is under consideration.

Mr. DENT. Okay. Because I just want to make sure the Department has a grasp on the financial consequences of the IST mandates. It is very, very expensive, and you need a lot of people. And there are potential job losses tied to that issue in the private sector.

ADVANCED IMAGING TECHNOLOGY: PASSENGER EDUCATION

On passenger screening—I am going quickly because I only have a minute—the budget proposal requests an additional 200 units for installation. As you know, I have been very supportive of the AIT and other passenger-screening initiatives. And the big issue is what are we doing to educate the public better about AIT and other passenger enhancements? We went through that situation back around Thanksgiving where there was a lot of public discontent with some of the practices. What are you doing to help educate the public, as well as Members of Congress, because we are going to face amendments on AIT, I suspect, as we deal with this Homeland Security appropriations bill in 2012.

Secretary NAPOLITANO. Well, first of all, experience is the best educator. More and more passengers now have gone through the AITs. They recognize that it is actually fast, it is thorough, it is the next wave of technology, and it makes airports safer and air travel safer. And if you say to passengers, “Do you want to fly on a plane where people have been through the AIT or not through the AIT?”—they are going to pick the AIT. But we are also doing in-airport education, and we are making a lot of information available to the TSA.

Mr. DENT. I have additional questions. I will submit them for the record. Thank you.

Mr. ADERHOLT. Mr. Olver.

Mr. OLVER. Thank you, Mr. Chairman. Are you operating under a special time limit at the moment?

Mr. ADERHOLT. Three minutes.

ADVANCED IMAGING TECHNOLOGY: MODEL TYPES

Mr. OLVER. Three minutes, okay. Well, that is going to constrain me greatly.

Just one other question on AIT. How many different kinds of—how many different models are you working with these days; how many different models are under testing?

Secretary NAPOLITANO. You mean in terms of hardware or software or both?

Mr. OLVER. Well, maybe I don't know what an AIT is. I am referring, and I thought Mr. Dent was referring, to full-body scanners.

Secretary NAPOLITANO. Yes. And there are basically two types of the hardware. But we are also now piloting a new type of software

that gives you basically a stick figure outline of an individual, as opposed to an image, and if there is an anomaly, identifies that anomaly is for pat-down purposes.

TRANSPORTATION SECURITY ADMINISTRATION: EMPLOYEE TURNOVER

Mr. OLVER. I was going to say it seems to me there is technology that is being developed that is quite noninvasive from a privacy point of view. So you seem to be headed toward that in any case.

My impression is, from where I go in and out of my airport, is that there is a lot of turnover; people are always changing. Is the agency seeing a fair amount of turnover, or are people pretty stable in their jobs and just adding more?

Secretary NAPOLITANO. At the TSA?

Mr. OLVER. Yes.

Secretary NAPOLITANO. There is some turnover, I would say. In part it is because of the size and, you know, just the type of workforce there is. It is a very high-stress job. I have worked a line for a while myself. It is hard work, and it is zero-error work, which adds to the stress. In other words, if you are the TSO who permits something to get on a plane, the consequences could be dire.

So we work with our TSOs. We are developing a career path for them that makes it a long-term career as opposed to not. And we are doing a number of other things to make the workplace conditions better for them.

Mr. OLVER. Okay. I want to turn to something in relation to immigration. I have quite a few responses in my office that look for immigration assistance, and every once in a while I sit down with great care and talk with people that seem to me to have an egregious error or problem. And I wanted to just mention one that happened quite recently of a family that had come in under some sort of a waive situation just before 9/11—I am not sure whether the waive arrangement is still being used—but a family, which was a father and mother, man and wife, and two children 13 and 7 or 8, something like that.

This is now 20 years ago. They stayed. They overstayed. And the daughter, the older person, by the time she was 19 or 20, she had graduated from college—this is Massachusetts—and gotten a degree and married, and at which point she was able to adjust for her parents, for her parents, who also had been under the radar for all of that period of time. But her younger brother she couldn't adjust for, she cannot adjust for.

Now, he was 7 or 8 when he came in probably 15 years ago—I guess I exaggerated slightly—and he is about to be deported back to someplace in South America. I know where it is, but I am not going to mention exactly where. And he speaks English as well as we do, had scholarships allowed for college and so forth.

Is there any hope for people like that?

Mr. ADERHOLT. The gentleman's time is expired. The Secretary has to leave at 5:00, and we have one more question. So Mr. Carter.

Secretary NAPOLITANO. We will get back to you on that situation, Representative. I will have somebody come visit with you.

Mr. OLVER. I would appreciate it. Thank you.

[The information follows:]

USCIS briefed Representative Olver's staff on the specifics of the immigration case on March 22, 2011. Representative Olver's staff indicated the information was sufficient and that a meeting would not be necessary.

BORDER SECURITY: NATIONAL GUARD ASSISTANCE

Mr. CARTER. Madam Secretary, thank you for waiting here for us. I really appreciate that.

You were the first Governor, I believe, to attempt to use our new law that allows you to request the National Guard to be deployed in your State, and I believe as a result of that request your response from then-Secretary Rumsfeld was that he didn't think it was their duty to enforce the borders; it was the duty of the Homeland Security Department. You experienced that, I believe. And right now my Governor in my State is saying that he needs troops on our border for safety and security of the citizens of the State of Texas, and I believe he does.

Do you believe we should approve a Governor's request to use the National Guard on the border, and do you think that we should authorize the Department of Homeland Security to pay for National Guard deployments if necessary by the Governors?

Secretary NAPOLITANO. First of all, the President has put 1,200-plus National Guards on the border, and they are providing very useful counter-drug assistance to the Border Patrol. You have also, in this Congress, approved upping the personnel in the Border Patrol, and that is the ideal situation where you have enough Federal civilian resources. But there can be a role for the National Guard. That is why we have some of them down there now. And I think that there is going to be a continuing discussion between us, the Department of Defense, and these committees as to how many, where, and how it should be paid for.

Mr. CARTER. And part of that discussion right now is that the Department of Defense says they won't pay for it. And so then my question is under a circumstance which you and I may not be able to imagine, although our Governor believes he needs it right now. Should we think about authorizing the payment of those guardsmen by our Department?

Secretary NAPOLITANO. I certainly think that is something that, as we move forward, will need to be discussed between the legislative and executive branches, yes, sir.

Mr. CARTER. Thank you.

Mr. ADERHOLT. Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman.

Madam Secretary, again, I apologize for leaving you bereft today for an hour, but we appreciate your patience. We have to close out now. I will be submitting some questions for the record. Some of them commend you for progress you made; for example, on the 100 percent screening requirement for cargo in the hold of passenger planes. You have actually accelerated the timetable for meeting that requirement, and recent incidents showed just how important that is. In other areas, for example, the future of the CSI, the Container Security Initiative in overseas ports, I am going to want to seek some clarification as to exactly what the implications of your budget are for the future of that and other programs. But we will have to do that for the record, and now I just want to thank you

for your good work, for your presence here today, and again express how much we are looking forward to another round of working with you.

Secretary NAPOLITANO. Thank you, sir.

Mr. ADERHOLT. Madam Secretary, let me again echo what Ranking Member Price said. The votes are out of our control, as you know, so we are at the mercy of the Speaker and when they call it. But I do thank you for being here today. And we are about to begin working with the Senate to pass a full year CR. Without additional information, we have no option but to fully fund the DRF. Part of the reason we took the cuts in H.R. 1 was due to a lack of a budget amendment or a supplemental.

But, Madam Secretary, what I would ask you to do is to commit to working with my staff on developing a plan that will fund the DRF through the end of the year and fund the DRF in fiscal year 2012.

Secretary NAPOLITANO. Yes, sir. And I really appreciate your forbearance with my schedule, too. I think we have all been juggling like crazy this afternoon. I know I put off one thing and so forth. So I really appreciate the consideration you and your staff have shown. And obviously and absolutely we will work with you and with staff on the DRF and some of these other issues that have been raised this afternoon.

Mr. ADERHOLT. Sure. Well, thank you very much. We look forward to working with you. And again, thank you for your attendance this afternoon. The meeting is adjourned.

QUESTIONS FOR THE RECORD SUBMITTED BY

THE HONORABLE Robert Aderholt

Secretary Napolitano

Committee on Appropriations-Subcommittee on Homeland Security-
FY 2012 DHS Budget Request
March 2, 2011

Testimony

Question: Secretary Napolitano, the Subcommittee hearing on March 2, 2011, was abbreviated due to the press of House business and a series of votes. May we have your commitment to return to testify before us should such a second hearing be deemed necessary to support the work of the Subcommittee?

ANSWER: I would be pleased to return before the Subcommittee.

FY 11 Funding For the Department

Question: In endorsing the Inouye substitute amendment 149 to H.R. 1, which failed to pass the Senate, the President has demonstrated his support for a level of discretionary funding for DHS substantially below what was enacted for FY10 (not including supplementals), and made clear that the FY11 request is no longer a realistic outcome. Please provide technical assistance that compares the Department's planned expenditures for FY11 under two scenarios: assuming the total level of discretionary funding authority provided for DHS in (1) H.R. 1 (\$41.517 billion), and (2) the Inouye substitute amendment 149 to H.R. 1 (\$42.0 billion). These expenditure plans should be broken out by program, project, and activity level, in one comparative table, and in the same format as the detailed table contained in the back of the report accompanying the annual appropriations bill for the Department of Homeland Security.

ANSWER: Upon enactment of an FY 2011 appropriations bill for the remainder of the fiscal year, the Department will respond accordingly to bill language requiring an expenditure plan.

FY12 Efficiencies and Savings in the FY 12 Budget Request

Question: For the record, please provide a table that reflects, for each component of the Department, the amount of savings in the fiscal year 2012 budget compared with the current fiscal year 2011 Continuing Resolution funding (and assuming such a funding level for the remainder of the year). Please subdivide these reductions by professional services, administrative savings, and other efficiencies, and include detailed totals for these categories and for each component so that the Committee knows to what extent we can depend on these figures, whether they are adversely impacting operations, or whether to view them as merely soft estimates.

ANSWER: The table below reflects the amount of savings for the Department in each fiscal year.

Component	FY 2011 Year-Long CR (incl. .2% reduction)	FY 2012 President's Request	FY 2012 Professional Services Savings (\$M)	FY 2012 Admin Savings (\$M)	FY 2012 Total Professional Services + Admin Savings (\$M)	FY 2012 Efficiencies (\$M)	FY 2012 TOTAL Savings (\$M)
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OSEM	136.544	142.533	-	(0.610)	(0.610)	(1.269)	(1.879)
USM	239.453	249.058	(1.500)	(3.582)	(5.082)	(0.663)	(5.745)
DHS HQ Cons.	77.245	215.273					
CFO	53.323	62.395	-	(0.831)	(0.831)	(0.132)	(0.963)
CIO	332.726	277.972	(4.500)	(3.704)	(8.204)	(2.120)	(10.324)
A&O	334.360	355.368	(3.000)	(7.913)	(10.913)	(14.010)	(24.923)
OIG	113.646	144.318	-	(0.715)	(0.715)	(1.562)	(2.277)
OHA	139.455	160.949	-	(1.586)	(1.586)	(1.272)	(2.858)
CIS	146.300	369.477	(2.250)	(3.681)	(5.931)	(0.369)	(6.300)
USSS	1,515.299	1,698.531	-	(0.912)	(0.912)	(12.902)	(13.814)
ICE	5,500.620	5,510.707	(40.500)	(59.332)	(99.832)	-	(99.832)
CBP	9,888.065	10,379.763	-	(36.909)	(36.909)	(189.381)	(226.290)
TSA	5,292.132	5,113.439	(10.000)	(57.694)	(67.694)	(46.315)	(114.009)
FLETC	270.832	276.413	(1.000)	(2.730)	(3.730)	-	(3.730)
NPPD	1,216.197	1,293.912	(10.000)	(8.061)	(18.061)	(27.274)	(45.335)
USCG	8,583.226	8,676.556	(15.230)	(76.821)	(92.051)	(44.116)	(136.167)
FEMA	7,208.572	6,789.348	(15.000)	(25.121)	(40.121)	(33.056)	(73.177)
S&T	827.578	1,176.432	-	(8.654)	(8.654)	(14.924)	(23.578)
DNDO	341.744	331.739	(1.625)	(1.655)	(3.280)	(3.301)	(6.581)
TOTAL	42,217.317	43,224.183	(104.605)	(300.511)	(405.116)	(392.666)	(797.782)

Chief Financial Officer

Question: The Department has been operating without a confirmed Chief Financial Officer since January 2009. While the Subcommittee commends the Acting Chief Financial Officer on her hard professionalism, dedication, and cooperation, it is essential that this position be filled. When will this be done?

ANSWER: I also commend the Acting Chief Financial Officer for her leadership and dedication to the Department. At this time, it is not certain when the President will nominate a permanent Chief Financial Officer.

Future Years Homeland Security Program

Question: The budget justification refers to forward plans for the Department in a number of areas, but a copy of the Future Years Homeland Security Program for fiscal years 2012-2016 was not included in materials provided to the Subcommittee. Please submit this for the record.

ANSWER: Historically, the Future Year Homeland Security Program (FYHSP) report is delivered to the Congress 60 to 90 days after the President's Budget. DHS plans to deliver the FY 2012-2016 FYHSP report later this month.

Acquisition Management

Question: Over the past two years, you have requested tens of millions of dollars for additional acquisition personnel, and are requesting \$24.2 million for fiscal 2012, which the Department has reported includes \$19,926,637 for 150 additional positions, \$3,729,000 for additional training, and \$580,000. While you have

provided detail to Committee staff on what this entails, in terms of personnel numbers and positions, training, and systems investments, I request you provide that here for the record.

ANSWER: The \$24.2 million will fund 150 positions, which is based on a survey conducted in FY 2010 of the major acquisition programs and acquisition oversight offices to identify gaps in the acquisition workforce and represent the number of positions required to start filling the gaps to ensure successful program execution, including risk mitigation. Of the \$24.2 million, \$17.9 million will be provided directly to the Components for the purpose of hiring 135 of the 150 positions and \$1.9 million will be used to hire 15 additional personnel within DHS headquarters. The remaining \$4.3 million is for In-Resident Course Development (\$2.8M); On-Line Course Development (\$900K); and AQN Billet Coding (\$580K).

Question: In addition, I understand these requirements were based on a study of each of the Department's 86 major program offices and its Component Acquisition Executive organizations, which identified specific gaps. Please provide in narrative or quantitative form the Department's current baseline capabilities to manage the Department's acquisition portfolio management for these organizations, existing gaps in needed capabilities from that baseline, and how the additional acquisition staff, training and systems investments you are requesting will fill such gaps.

ANSWER: The FY 2012 budget request includes \$24.2 million to increase the Department's acquisition workforce with 150 additional mid-career and senior level acquisition professionals with the goal of creating a professionalized acquisition workforce that is well trained, provides consistency throughout the Department, and knows the DHS missions. DHS continues its concerted effort to recruit this professional acquisition workforce with the use of direct hire authority and centralized vacancy announcements. As of December 31, 2010, these efforts have resulted in a 136% increase in our contracting specialists. We are also graduating the first 30 Acquisition Professional Career Program participants in FY 2011 who will be trained, certified contracting specialists and placed within the Department's nine contracting activities throughout FY 2011. Additionally, we have expanded the Acquisition Professional Career Program to include additional fields in program management, business cost estimating, systems engineering, life cycle logistics, and information technology. DHS has also established new certification programs for the test and evaluation, logistics, business cost estimating, and acquisition financial management career fields, and will have new programs in place in FY12 for systems engineers and information technology specialists.

Headquarters and Mission Support Consolidation

Question: Please detail the impact of scheduling changes and the incremental cost associated with proposed FY12 headquarters and mission support moves and changes in operation in the event no additional appropriations are enacted in fiscal year 2011.

ANSWER: Significant delays caused by a lack of funding in FY 2011 would increase St. Elizabeths project costs by approximately \$220 million (\$130 million GSA, \$90 million DHS) in escalation alone plus an additional \$69 million for loss of the integrated construction sequencing between Phase 1 USCG Headquarters and the Phase 2A DHS Operations Center (DOC) facility. Without full funding of the President's FY 2012 request, the cost and schedule impacts will be even greater.

Staffing for DHS Departmental Management

Question: Please list the title, job description, assigned office/agency, and location for each of the 248 position enhancements funded in FY11, including annualized positions and contractor conversions, above FY11 and detailed by PPA for each appropriation within Departmental Management, including: the Office of the Secretary and Executive Management; Office of the Under Secretary for Management; Office of the Chief Financial Officer; and the Office of the Chief Information Officer.

ANSWER: The table below lists the title, job description, assigned office/agency, and location of each of the 248 position enhancements funded in FY11 within Departmental Management.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
OCAO – Salaries and Expenses (S&E)	1	Executive Secretariat	Serves as a Liaison between the Office of the Chief Administrative Officer and the Department's 28 Components, coordinating Departmental decisions and actions, as well as managing the Department's official governmental entities.	Yes	DHS/USM/ OCAO Front Office	Washington, D.C.
OCAO – S&E	1	Executive Assistant	Performs a variety of special assignments including assignments of confidential and sensitive nature involving complex and urgent problems and special projects spanning multiple operation areas under the jurisdiction of the Supervisor.	Yes	DHS/USM/ OCAO Front Office	Washington, D.C.
OCAO – S&E	1	Administrative Officer - Personnel & Training	Provides a variety of assigned administrative policy matters and subjects to include planning, organizing, guiding, and controlling the program office administrative programs ranging from training the workforce to essential internal human resource processing.	Yes	DHS/USM/ OCAO Front Office	Washington, D.C.
OCAO – S&E	5	Administrative Specialist	Gathers information, identifies and analyzes relatively straightforward issues, and develops recommendations to resolve problems of effectiveness and efficiency of organization work operations.	Yes	DHS/USM/ OCAO Front Office	Washington, D.C.
OCAO – S&E	1	Management Analyst (Reports)	Responsible for implementing, coordinating, and-or overseeing a variety of management programs impacting the Department. Plans and conducts special studies, personally or through team members, provides advice to managers of headquarters functions and field activities, and develops, recommends and evaluates policies in assigned areas of responsibility.	Yes	DHS/USM/ OCAO Front Office	Washington, D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
OCAO – S&E	1	Program Analyst (Measures / Metrics)	Provide executive level programmatic support to the Department of Homeland Security's CAO for all matters related to operational process and performance measures within the purview of the Office of the CAO (OCAO). These areas include: Real Property, Design and Construction, Personal Property, Marine, Aviation, motor vehicle Fleet, Continuity of Operations Planning, Emergency Preparedness, Environmental Planning, Historic and Cultural Preservation, Environmental Management, Occupational Safety and Health, Energy, Mail, Records, Directives, Forms, Printing, Publications and Graphics, Library Services and Program, Planning Budgeting and Execution.	Yes	DHS/USM/ OCAO Front Office	Washington, D.C.
OCAO – S&E	1	Program Analyst (Efficiency Reviews)	<p>Direct, implement, coordinate, and oversee a major segment of a department-wide mission or administrative program.</p> <p>Plan and conduct special studies or task forces. Develop and evaluate policies and recommend future program objectives and improvements.</p> <p>Provide technical assistance and support to management staff in matters relating to the application of planning systems and management programs. Evaluate the content of new or modified legislation for projected impact upon DHS programs.</p> <p>Responsible for developing, implementing, and monitoring sophisticated management information systems that focus on long and short range plans, policies and programs in the direction of goals, objectives and</p>	Yes	DHS/USM/ OCAO Front Office	Washington, D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
			<p>priorities.</p> <p>Plan, develop, and coordinate planning management through briefings, presentations, and conferences for executive management. Design and administer planning and controls for submission of data, including forming the basis of budget and program resource requests and decisions.</p>			
OCAO – S&E	1	Financial Analyst	Conduct financial management, resources analyses, and budget execution, monitoring, and justification activities to support customer requirements and priorities for financial resources for complex agency programs.		DHS/USM/ OCAO Front Office	Washington, D.C.
OCAO – S&E	3	Personal Property Specialist	Exercises broad managerial authority in developing and implementing departmental policies, processes, controls, and planning systems for personal property management to ensure corporate direction, oversight, and support for the department. Serves as the focal point in communicating the policies and objectives of top level DHS officials to subordinates and other employees within the agency.	Yes	DHS/USM/ OCAO/ ALM Division	Washington, D.C.
OCAO – S&E	1	Motor Vehicle Fleet Systems Analyst	Liaison for the Department's Mobile Asset Program and manage, from a mobile assets perspective, all IT-related systems for which both the scope and effect of the work have Department-wide impact. As assigned, manage any of the DHS-wide programs associated with mobile assets by providing advice and consultation concerning those programs.	Yes	DHS/USM/ OCAO/ ALM Division	Washington, D.C.
OCAO – S&E	1	Motor Vehicles Policy & Process Analyst	Provide expert advisory services to management, technical, and supervisory personnel in DHS, in other government agencies, and in public or private institutions	Yes	DHS/USM/ OCAO/ ALM Division	Washington, D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
			<p>regarding nationwide mobile asset programs, and their development, acquisition, management, internal control, and systems to accurately account for mobile assets.</p> <p>Formulate and implement agency-side policies and procedures with national or international impacts, such as those affecting acquisition, maintenance, utilization, and disposal.</p> <p>Provide advice, guidance, and liaison services for complex issues within mobile assets relating to the accountability, maintenance, disposal and internal controls for mobile assets.</p> <p>Conduct troubleshooting on a diverse range of issues, projects, or concerns requiring an overview of the total DHS operations with respect to resolving significant, controversial, and/or otherwise highly charged situations.</p> <p>Review unanticipated asset utilization requests or changes that affect a majority of DHS. Perform cost benefit analyses to determine best alternatives. Conduct extensive utilization surveys to explore most efficient and cost-effective options. Develop acquisition strategies and consult with agencies on requirements, including the quantities and types of assets required.</p>			
OCAO – S&E	1	Program Analyst (Functional Integration)	Responsible for implementing, coordinating, and-or overseeing a variety of management programs impacting the Department. Plans and conducts special studies, personally or through team	Yes	DHS/USM/ OCAO/ ALM Division	Washington, D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
			members, provides advice to managers of headquarters functions and field activities, and develops, recommends and evaluates policies in assigned areas of responsibility. Plans, conducts or participates in special studies on task forces, provides assistance to headquarters and field offices. Develops and evaluates policies in assigned program areas, takes or recommends action to achieve organizational objectives, and recommends future program objectives and improvements.			
OCAO – S&E	1	Program Manager (Supervisor – Logistics)	Position will serve as an analyst in performing a range of program activities requiring application of qualitative and quantitative methods for assessment of management processes, systems and mission support programs related to effectiveness of administrative services pertaining to the DHS rent and space, mail operations, and Headquarters transportation programs.	Yes	DHS/USM/ OCAO/ ALM Division	Washington, D.C.
OCAO – S&E	2	General Engineer	Work complexities required the development of alternate solutions to reduce time and costs, versatility and innovation, and short cuts or compromises that are considered risky. Resolves unusual demands caused by extraordinary urgency, safety, or economic restraints in areas such as life science or measurement and instrumentation systems. Contributes to the accomplishment of agency programs objectives, such as challenging agency standards for implementation of projects/program management systems, operations and controls.	Yes	DHS/USM/ OCAO/ ALM & OSEP Divisions	Washington, D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
OCAO – S&E	3	Program Analyst (Real Estate)	Directs/Coordinates Real Estate Activities. Keeps installation real estate personnel advised of programs requirements. Determines progress of the program activities and imparts guidance assistance on referral problems. Reviews real estate correspondence, projects, studies and other material requiring concurrence or approval of higher headquarters for accuracy, completeness of technical detail and conforms to established policy.	Yes	DHS/USM/ OCAO/ ALM Division	Washington, D.C.
OCAO – S&E	2	Sr. Project Manager (Architect)	Contractor Oversight for Design and Construction Projects or Programs: Initiates contact and provides expert technical advice and direction to contractor professionals. Serves as a senior technical contact. Keeps the Contracting Officer informed on progress, proposed contract modifications, validity of claims, analysis of proposals, and assessment of contract time extensions. Work complexities require the development of alternate solutions to reduce time and costs, versatility and innovation, and short cuts or compromises that are considered risky. Resolves unusual demands caused by extraordinary urgency, safety, or economic restraints in areas such as life science or measurement and instrumentation systems. Contributes to the accomplishment of agency program objectives, such as challenging agency standards for implementation of project/program management systems, operations, and controls.	Yes	DHS/USM/ OCAO/ Office of Administrative Operations (OAO)	Washington, D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
OCAO – S&E	3	Management Analyst (HQ Facilities)	<p>Plan and conduct major projects and studies of DHS rent and space management programs to include, but not limited to, building, and facilities space leasing services (directive Government and through GSA), space assignments and scheduling, database establishment and maintenance, occupancy agreements, budget, financial reconciliation, usage cost assignments, organizational cost benefit analyses, spreadsheet analysis and required regulatory and/or departmental reporting requirements.</p> <p>Conduct detailed analyses of the most complex functions and work processes of broad administrative or technical rent and space management programs and make recommendations for improvement in the effectiveness and efficiency of work operations.</p> <p>Develop methods, organizational structures, and complex management processes in support of the management of DHS real property.</p> <p>Counsel and advise program managers on methods and procedures, management surveys, management reports, and control techniques in order to improve the effectiveness of existing real property programs and procedures.</p> <p>Perform the duties of Contract Officer's Technical Representative (COTR), and the service delivery of administrative service to HQ and components.</p>	Yes	DHS/USM/ OCAO/ Office of Administrative Operations (OAO)	Washington, D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
OCAO – S&E	2	Program Analyst (Shared Services)	Plans, organizes, and carries out analytical studies involving the planning, development, and implementation of major agency programs of national scope and impact. Participates in the development and documentation of long and short-range planning efforts. Reviews long and short-range plans, resource projections, priorities, justifications, etc. Makes recommendations on planning efforts that can be undertaken within existing resource levels and advises on the impact of efforts that require additional resources.	Yes	DHS/USM/ OCAO/ Office of Administrative Operations (OAO)	Washington, D.C.
OCAO – S&E	4	Management Analyst (Facilities Admin Support)	The primary purpose of this position is to provide management with objectively based information for making decisions on the administrative and programmatic aspects of facility administrative management operations including contractor operations.	Yes	DHS/USM/ OCAO/ Office of Administrative Operations (OAO)	Washington, D.C.
OCAO – S&E	2	Interdisciplinary Architect/Engineer	Manages multiple complex design, construction and renovation projects at an average of eight concurrent locations within the greater Metropolitan DC area in a dynamic and fluid environment. Project facilities range in size from 10,000 square feet to 100,000 square feet.	Yes	DHS/USM/ OCAO/ Office of Administrative Operations (OAO)	Washington, D.C.
OCAO – S&E	1	Program Analyst (Facilities Manager – Team Lead)	Team Leader for HQ Operations Real Property and Rent/Space Management Activities: Appraise Working Capital Fund and Rent/Space Management operations for effectiveness, quality of performance and progress in meeting program objectives and identify methods to reduce operating costs, improve or simplify operations and institute changes to gain greater coordination and more efficient operations.	Yes	DHS/USM/ OCAO/ Office of Administrative Operations (OAO)	Washington, D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
			<p>Planning: Develop broad plans and objectives pertaining to the DHS HQ Working Capital Fund and Space Management program, recommending changes in command-wide plans, objectives policies and relationships</p> <p>Policy Development: Develop DHS HQ Operations policies and procedures pertaining to real estate programs and activities having department-wide implications; develop policies for component organization and provide guidance as it pertains to specific projects under consideration.</p>			
OCAO – S&E	1	Program Analyst (Resources)	Plans, organizes, and carries out analytical studies involving the planning, development, and implementation of major agency programs of national scope and impact. Participates in the development and documentation of long-and short-range planning efforts. Review long-and short-range plans, resources projections, priorities, justifications, etc. Makes recommendations on planning efforts that can be undertaken within existing resource levels and advises on the impact of efforts that require additional resources.	Yes	DHS/USM/ OCAO/ Office of Administrative Operations (OAO)	Washington, D.C.
OCAO – S&E	1	Management Analyst (Facility Reconstitution Specialist)	The primary purpose of this position is to serve as Facility Reconstitution Specialist for OAO supporting DHS Headquarters. Coordinates closely between OAO and Department emergency management specialists to prepare and execute reconstitution plans, procedures, and principles when responding to all hazards, incidents,	Yes	DHS/USM/ OCAO/ Office of Administrative Operations (OAO)	Washington, D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
			emergencies, and exercises ensuring continuity of critical DHS headquarter and CAO facilities and administrative operations.			
OCAO – S&E	2	Management Analyst (Mail Management)	Provides expert advisory services to management, technical, and supervisory personnel in DHS, in other government agencies, and in public or private institutions regarding nationwide mail management programs.	Yes	DHS/USM/ OCAO/ RPM	Washington, D.C.
OCAO – S&E	2	Records Management Specialist	Provides management with objectively based information for making decisions on the administrative and programmatic aspects of records management operations including contractor operations.	Yes	DHS/USM/ OCAO/ RPM	Washington, D.C.
OCAO – S&E	1	Program Manager (Records Management)	Serves as Program Manager for the Records Management Program providing oversight and direction for the recordkeeping functions across all Federal agencies included in the Department of Homeland Security, including the business practices, resources and management controls of records and related activities. You will also serve as Chief Programmatic Advisor for all issues related to records management processes.	Yes	DHS/USM/ OCAO/ RPM	Washington, D.C.
OCAO – S&E	1	Directives Specialist	Facilitate and assure timely, accurate responses to a wide range of correspondence by applying knowledge of Management programs, functions, and organizational relationships and of the concepts, principles and practices of administration and management. Conduct audits and reviews to identify ways to improve the correspondence program. Perform research, analytical, data	Yes	DHS/USM/ OCAO/ RPM	Washington, D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
			<p>acquisition, data analyses, and issues analyses assignments.</p> <p>Review incoming correspondence in relation to organizational functions and program responsibilities to determine officials responsible for preparing responses and those who should contribute to responses, or provide background information or enclosures.</p> <p>Compile past correspondence and reports, and recent news items pertaining to subjects of correspondence.</p> <p>Coordinate exchanges of information and joint activities with staff members of other Management component organizations, and of agencies having related functions, to exchange and discuss information needed for composing correspondence, and for audits and reviews.</p>			
OCAO – S&E	3	Environmental Protection Specialist (EP/HP)	Assist in the planning, developing and coordinating of long range environmental compliance programs, policies, concepts and procedures in resolving environmental compliance problems. Provides specialized technical guidance on environmental compliance, on a consulting basis to the components, as needed. Assists the environmental program manager in establishing goals, objectives and operating plans required to establish or maintain environmental compliance.	Yes	DHS/USM/ OCAO/ OSEP	Washington, D.C.
OCAO – S&E	1	Industrial Hygienist	Assists the Office of Safety and Environmental Programs in conceiving, developing, coordinating and distributing Departmental policies and	Yes	DHS/USM/ OCAO/ OSEP	Washington, D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
			procedures related to industrial hygiene, occupational health and safety. Reviews current and proposed legislation, regulations, standards and executive orders that relate to industrial hygiene, safety and occupational health aspects of DHS operations and recommends the Department's position and appropriate action.			
OCAO – S&E	1	Program Analyst (Energy)	Reviews, advises on, plans, executes, and reports on original or ongoing complex analyses, evaluations, or investigations in support of organizational programs, systems, and processes, including areas where definitions, methods, and/or data are incomplete, controversial, or uncertain, or where boundaries of the studies are extremely broad and difficult to determine in advance. Work may require a fresh approach to resolve new problems, such as evaluating changes that could result from proposed legislative or regulatory guidelines or from variations in demand for program services. Monitors and evaluates program performance across all components and within specific missions requiring analysis of interrelated issues, such as effectiveness, efficiency, and productivity. Develops new methods and techniques to address novel or obscure problems for which guidelines or precedents are not substantially applicable. Documents and reports study results to management and counterparts in components.	Yes	DHS/USM/ OCAO/ OSEP	Washington, D.C.
OCAO – S&E	1	Program Analyst (EP/HP)	Conducts periodic and comprehensive evaluations of ongoing functions to ensure that the organization meets its stated goals, and identifies areas where	Yes	DHS/USM/ OCAO/ OSEP	Washington, D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
			<p>operational efficiency can be enhanced. Recommends actions necessary to maintain or improve the quality and quantity of operational services, such as introducing or refining automation, reorganizing operating units, and proposing the increase of organization resources.</p> <p>Serves as an authoritative source of consultation for other managers and program specialists. Serves on panels, committees, and working groups responsible for conducting advanced analyses. Provides technical data, guidelines, and technical reports in field of specialty. Defends controversial findings in public or high-level forums. Represents before public bodies the interests of the organization, program, or Government. Maintains contact with other organizations, government agencies, business managers, managers, and contractors to exchange ideas and remain current on developments in area or field of responsibility.</p>			
OCAO – S&E	7	Program Analyst (Logistics Specialist)	<p>Perform management assessments to address the material weaknesses and areas of risk identified for the Department</p> <p>Provide feedback and recommendations for changes in policy and internal controls to Departmental Management</p> <p>Consolidate oversight information for the Department</p>	No	DHS/USM/ OCAO/ ALM	Washington, D.C.
OCHCO - S&E	1	Program Specialist	Conducts data analysis and develops enterprise-wide strategies and plans related to recruitment and retention. Serves as expert advisor; identifying key	No	DHS/USM/ OCHCO	Washington, D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
			issues and challenges that impact Department-wide efforts. Proposes policy solutions and creates accountability structures to measure results.			
OCHCO - S&E	2	Program Specialist	Develops plans, conducts analytical studies for developing, improving, and coordinating various OCHCO programs	No	DHS/USM/ OCHCO	Washington, D.C.
OCHCO - S&E	1	Program Analyst	Supports the Deputy CHCO by analyzing issues that impact the Department, HQ and/or OCHCO; propose policy solutions; track relevant legislation and assess strategic opportunities impacting the organization	No	DHS/USM/ OCHCO	Washington, D.C.
OCHCO - S&E	2	Program Analyst	Assesses, designs, develops, implements, evaluates and manages human capital leader development programs	No	DHS/USM/ OCHCO	Washington, D.C.
OCHCO - S&E	2	HR Specialist	Deliver a continuum of competency-based, leader development program services for 27,000 supervisors, managers, and executives	No	DHS/USM/ OCHCO	Washington, D.C.
OCHCO - S&E	2	Program Analyst	Develops guidance, training and assists with integrating major management processes (i.e., workforce, budget and acquisition) to determine the appropriate balance of federal and contractor staff to support the mission.	No	DHS/USM/ OCHCO	Washington, D.C.
OCHCO - HRIT	2	HR Specialist	Functional Project Manager responsible for gathering and documenting functional requirements to support the deployment of enterprise human capital systems based on the business needs of customers	No	DHS/USM/ OCHCO	Washington, D.C.
OCHCO - HRIT	2	HR Specialist	Develop processes for transitioning deployment and operational processes such as instituting an Internal Change Control process, maintaining the Modular Repeatable Processes toolkit and defining other program-related processes and standards	No	DHS/USM/ OCHCO	Washington, D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
OCHCO - HRIT	3	HR Specialist	Provides technical system architecture, infrastructure, system integration design, and application support	No	DHS/USM/OCHCO	Washington, D.C.
OCHCO - S&E	1	HR Specialist	Design and implement the capstone program	No	DHS/USM/OCHCO	Washington, D.C.
OCHCO - S&E	1	HR Specialist	Design and deploy standards to implement a leader development program	No	DHS/USM/OCHCO	Washington, D.C.
OCHCO - S&E	2	HR Specialist	Identifies gaps in leadership skills and designs programs to close specific competency gaps.	No	DHS/USM/OCHCO	Washington, D.C.
OCHCO - S&E	1	HR Specialist	Evaluates current training programs and recommends adjustments and enhancements to improve effectiveness of programs	No	DHS/USM/OCHCO	Washington, D.C.
OCHCO - S&E	3	Program Analyst	Coordinate and disseminate comprehensive guidance; develop and distribute an automated analytic survey tool; provide and oversee training for components; and assist components with the implementation and reporting requirements on workforce balance.	No	DHS/USM/OCHCO	Washington, D.C.
OCHCO - S&E	1	HR Specialist	Develop a framework to support the identification of skill gaps and competencies for the current and future state	No	DHS/USM/OCHCO	Washington, D.C.
OCHCO - S&E	3	HR Specialist	Develop career paths to help close the gaps in skills and competencies to transition jobs across Component lines	No	DHS/USM/OCHCO	Washington, D.C.
OCHCO - S&E	1	HR Specialist	Develop and manage joint and enterprise rotations program	No	DHS/USM/OCHCO	Washington, D.C.
OCHCO - S&E	2	HR Specialist	Support the development and management of joint and enterprise rotations program	No	DHS/USM/OCHCO	Washington, D.C.
OCHCO - S&E	1	HR Specialist	Develop and manage academic and outreach programs	No	DHS/USM/OCHCO	Washington, D.C.
OCHCO - S&E	2	HR Specialist	Support the development and management of academic and outreach programs	No	DHS/USM/OCHCO	Washington, D.C.
OCHCO - S&E	4	Training Specialist	Develop and deliver new training programs to assist in closing identified skill and competency gaps	No	DHS/USM/OCHCO	Washington, D.C.
OCHCO -	1	Logistician	Serve as a Project manager with	No	DHS/USM/	Washington,

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
HRIT			the responsibility to assist in the integration of Human Capital Information Systems across the Department		OCHCO	D.C.
OCHCO - HRIT	1	Business Financial Manager	Provides financial and contract management support, and other key programmatic support such as cost estimating, and justifying/managing resources for the project	No	DHS/USM/ OCHCO	Washington, D.C.
OCIO – S&E	9	IT Specialist	Manage program federal compliance and DHS directives across DHS. Duties include technical security assessments of systems, forensic analysis, program reviews, FISMA audits, evaluation of security tools, audit tracking and record keeping.	Yes	DHS/USM/ OCIO/ Information Security Office	Washington, D.C.
OCIO – S&E	5	IT Specialist	Supports management of IT governance and compliance, technical assistance and accessibility helpdesk services, training development and delivery, and component accessible systems and technology program guidance, in response to increasing demand on the Office of Accessible Systems and Technology (OAST) services.	No	DHS/USM/ OCIO/ Accessible Systems & Technology	Washington, D.C.
OCIO – S&E	2	Program & Management Analyst	These positions support all the OCIO offices in terms of Human Resources , Budget and Financial matters , Acquisition, OIG audit and other administrative functions	No	DHS/USM/ OCIO/ OCIO Front Office	Washington, D.C.
OCIO – Information Technology Services	2	IT Specialist	Design, test, develop, and deploy applications and database support throughout DHS headquarter offices. Provide application and data integration service. Coordination and communications with component data application and software specialist to ensure best practices and acceptable performance levels.	Yes	DHS/USM/ OCIO/ Enterprise System Development	Washington, D.C.
OCIO – Information Technology Services	2	Program & Management Analyst	Manages IT governance and portfolio management including establishing customer advocacy activities, acquisition models, and	Yes	DHS/USM/ OCIO/ Enterprise Business	Washington, D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
			procurement strategies. Implements IT Governance Framework across DHS, establish IT targets for integrated portfolio management, tracks performance measures, performs IT Acquisition Reviews (ITAR), establishes IT performance goals, monitors and ensures IT services are aligned with DHS standards, provide Capital Planning and Investment Control (CPIC) guidance and exhibit 300 coordination and guidance. Liaison with components on E-gov initiatives		Management	
OCIO – Information Technology Services	9	IT Specialist	Manages IT governance and portfolio management including establishing customer advocacy activities, acquisition models, and procurement strategies. Implements IT Governance Framework across DHS, establish IT targets for integrated portfolio management, tracks performance measures, performs IT Acquisition Reviews (ITAR), establishes IT performance goals, monitors and ensures IT services are aligned with DHS standards, provide Capital Planning and Investment Control (CPIC) guidance and exhibit 300 coordination and guidance. Liaison with components on E-gov initiatives	Yes	DHS/USM/OCIO/Enterprise Business Management	Washington, D.C.
OCPO	2	Systems Engineer	Provide systems' engineering support, oversight and guidance to the TASC program office as it is one of the Department's Major Acquisitions.	No	DHS/USM/OCPO/Acquisition Program Management Division (APMD)	Washington, D.C.
OCPO	1	Logistician	Provide systems logistical support, oversight and guidance to the TASC program office as it is one of the Department's Major Acquisitions.	No	DHS/USM/OCPO/Acquisition Program Management Division	Washington, D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
					(APMD)	
OCPO	8	Cost Analysts	The primary responsibility and expertise of these positions is to provide rigorous Life Cycle Cost Estimate (LCCE) capability and validation in support of the Department's major acquisitions	No	DHS/USM/OCPO/Acquisition Program Management Division (APMD)	Washington, D.C.
OCPO	12	Operations Research Analyst	The primary responsibility and expertise of these analysts/positions is to provide Life Cycle Cost Estimates and analyses to DHS programs, initially to Level I programs and then expanding this capability to Level 2 as resources grow. This initiative is to improve the quality and accuracy of our program cost estimates in order to address numerous GAO and DHS IG reports on this subject. The estimates and analyses developed by this office will comply with the GAO Best Practices in this area, will be valid, accurate and well documented and will form the basis for the DHS annual budget development	No	DHS/USM/OCPO/Cost Analysis Division	Washington, D.C.
OCSO	1	Branch Chief	Maintain and revise the "Classified National Security Information Program for State, Local, Tribal and Private Sector Entities Implementing Directive." As the program develops, revisions to this document will be necessary.	No	DHS/USM/OCSO/Policy Development & Implementation Branch	Washington, D.C.
OCSO	2	Senior Security Specialist	Develop Memorandum of Agreements to define program responsibilities. Two Agreement Templates will be required in FY-12: an agreement to transfer security cognizance between Federal Agencies and DHS; an agreement between SLT owned or operated facility where classified information is to be stored, and DHS.	No	DHS/USM/OCSO/Policy Development & Implementation Branch	Washington, D.C.
OCSO	1	Security Specialist	Manage and oversee the	No	DHS/USM/OCSO/Policy Development &	Washington, D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
			execution of the Agreements referenced above between DHS and other Federal agencies. This activity will require direct coordination with every Federal agency that sponsors or provides classified information to SLTPS entities to facilitate effective program management. Manage and oversee the execution of Agreements referenced above between DHS and SLT owned or operated facilities where classified information is to be stored.		Implementation Branch	
OCSO	1	Security Administrator	<p>Coordinate internally with applicable DHS Program Offices to develop Standard Operating Procedures (SOPs) to govern program management and operations within DHS.</p> <p>Develop draft documents and security checklists in preparation for the implementation of the SLTPS Security Compliance Review Program.</p> <p>Coordinate with Federal agencies that sponsor or provide SLTPS with access to classified information to develop and articulate the procedures and processes for transferring security profile information on certifications to DHS.</p> <p>Coordinate with all agencies that grant security clearances to SLTPS personnel to ensure agency policies are in compliance with E.O. requirements and that procedures are developed to govern this process.</p> <p>Confer with the SLTPS Policy Advisory Committee, prior to publication of national level policy documents for</p>	No	DHS/USM/ OCSO/ Policy Development & Implementation Branch	Washington, D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
			<p>safeguarding classified information. This would include the agreements listed above.</p> <p>Develop additional forms and other tools necessary to support and manage the processes and procedures established by the implementing directive. It is expected that the processes referenced above will require additional forms necessary for effective implementation.</p> <p>Conduct and ensure adequate representation is available to coordinate with the DOD, ODNI, OPM, ISOO and other departments and agencies to ensure that DHS OCSO is represented at all meetings, working groups, and other forums relevant to SLTPS security program implementation</p>			
OCSO	1	Branch Chief	Provide appropriate representation with the DHS Office of the Chief Information Officer (OCIO) to coordinate the development and establish the foundation for eventual certification of IT systems to support SLTPS Program	No	DHS/USM/ OCSO/ Information Technology Support Branch	Washington, D.C.
OCSO	1	Supervisory Information Technology Specialist	<p>information technology-related issues.</p> <p>Provide technical assistance to the Field Security Coordinators regarding the on-going deployment of the Homeland Secure Data Network (HSDN) and other classified capabilities, e.g., Secure Video Teleconferencing (SVTC), Secure Telephone Equipment (STE), secure fax, etc., and to approved SLTPS secure facilities and SCIFs.</p>	No	DHS/USM/ OCSO/ Information Technology Support Branch	Washington, D.C.
OCSO	1	Information Technology Specialist	and other classified capabilities, e.g., Secure Video Teleconferencing (SVTC), Secure Telephone Equipment (STE), secure fax, etc., and to approved SLTPS secure facilities and SCIFs.	No	DHS/USM/ OCSO/ Information Technology Support Branch	Washington, D.C.
OCSO	1	Information	Development of a centralized database that supports the	No	DHS/USM/	Washington,

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
		Technology Data Management Specialist	<p>lifecycle of DHS personnel and administrative security cases for SLTPS partners. This database would include capturing the data related to all aspects of security clearance processing, security violation tracking, secure document tracking, Contract Security Classification Specification (DD254) production, and facility physical security profiles. E.O. related processes and current DHS processes would need to be evaluated and technical solutions proposed for development in FY-13.</p> <p>Consult internally with DHS stake-holders and with the Office of Personnel Management (OPM), the Department of Defense (DOD), and the Office of the Director of National Intelligence, to begin to develop the requirements and determine the modifications necessary to leverage an existing database as a mechanism to document and track the final status of SLTPS security clearances. If an existing database cannot be modified or used for this purpose, engage with OPM, DOD, and ODNI to consider alternative solutions.</p> <p>Initiate the development of an electronic records system that will identify and maintain records for all SLTPS personnel who have received security training.</p> <p>Development of the Homeland Security Information Network (HSIN) SLTPS Security Website. Collaborate with the Security Education Branch to establish a Learning Management System that includes web based security training for the SLTPS program.</p>		OCSO/ Information Technology Support Branch	D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
			Development of database mechanisms for the Security Compliance Review (SCR) Program to identify and track closure of findings or deficiencies noted in other pre-surveys, surveys, or assessments. The SLTPS SCR will not be operational until FY-13			
Exec Secretary	4	Correspondence Analyst	Researches/gathers, develops, and checks the accuracy of information from a wide range of sources regarding DHS policy objectives.	Yes	DHS/OSE M/Executive Secretariat	Washington, D.C.
CIS Ombudsman	5	Immigration Law Analyst	Utilizes electronic data systems to research individual cases and assist with the resolution of issues pending petitions and applications with USCIS.	Yes	DHS/OSE M/CIS Ombudsman	Washington, D.C.
Privacy	3	Program Specialist	Process all incoming requests for information and documents under the FOIA. Provide training to contractors, detailees, or other new FOIA processing personnel on DHS processes and procedures.	Yes	DHS/OSE M/Office of Privacy	Washington, D.C.
Privacy	2	Administrative Specialist	Provide a full range of administrative services to include scheduling meetings and appointments, arranging travel and training, maintaining office records, and coordinating correspondence for signature	Yes	DHS/OSE M/Office of Privacy	Washington, D.C.
Privacy	1	Assoc. Dir. Incident Inquiries	Conduct, plan, manage, and coordinate complex privacy or politically sensitive privacy incident investigations related to the disclosure of personally identifiable information	Yes	DHS/OSE M/Office of Privacy	Washington, D.C.
Privacy	1	Program Analyst	Identify and analyze departmental programs and policies on privacy.	Yes	DHS/OSE M/Office of Privacy	Washington, D.C.
CRCL	1	Program Specialist	Provide advice and guidance on ensuring civil rights and civil liberties are integrated into essential programs with a national scope and impact.	Yes	DHS/OSE M/CRCL	Washington, D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
CRCL	3	Executive Assistant	Provide high-level administrative support by conducting research, preparing statistical reports, handling information requests, and performing clerical functions such as preparing correspondence, receiving visitors, arranging conference calls, and scheduling meetings.	Yes	DHS/OSE M/CRCL	Washington, D.C.
CRCL	1	HQ EEO Specialist	Eliminates the Department's backlog of EEO Complaints, inherited from legacy agencies.	Yes	DHS/OSE M/CRCL	Washington, D.C.
CRCL	1	Financial Ops Correspondence Analyst	Researches and develops processes and procedures and administers correspondence inter-departmentally.	Yes	DHS/OSE M/CRCL	Washington, D.C.
CRCL	3	Program Analyst (Policy Advisors)	Positions will establish a program to carry out responsibilities pursuant to Title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color, and national origin in programs and activities receiving federal financial assistance from the Department.	No	DHS/OSE M/CRCL	Washington, D.C.
CRCL	2	Investigator	Will participate in ICE's advisory committee, improve ICE's site audits of 287(g) programs, conduct sole and joint investigations, improve data-based and statistical oversight, review policies and procedures to ensure respect for civil rights and civil liberties, and provide training over the section 287(g) and Secure Communities programs, which extend ICE's alien removal programs into state and local law enforcement activities and jails, and present special complexities in safeguarding individual civil rights and civil liberties; will also create roundtables focusing upon immigration initiatives and programs to increase engagement with immigrant communities	No	DHS/OSE M/CRCL	Washington, D.C.
CRCL	1	Program Analyst (Training Specialist)		No	DHS/OSE M/CRCL	Washington, D.C.
CRCL	1	Program Analyst (Policy Advisor)		No	DHS/OSE M/CRCL	Washington, D.C.
CRCL	1	Statistician	programs, which extend ICE's alien removal programs into state and local law enforcement activities and jails, and present special complexities in safeguarding individual civil rights and civil liberties; will also create roundtables focusing upon immigration initiatives and programs to increase engagement with immigrant communities	No	DHS/OSE M/CRCL	Washington, D.C.
CFO - S&E	18	Financial Specialist	Conduct financial management, resources analyses, and budget	Yes	DHS/USM/ OCFO	Washington, D.C.

PPA	# of FTP	Job Title	Position Description	BWS*	Assigned Office	Location
			execution, monitoring, and justification activities to support customer requirements and priorities for financial resources for complex agency programs.			
CFO – S&E	8	Program Analyst	Responsible for implementing, coordinating, and-or overseeing a variety of management programs impacting the Department. Plans and conducts special studies, personally or through team members, provides advice to managers of headquarters functions and field activities, and develops, recommends and evaluates policies in assigned areas of responsibility. Develops and evaluates policies in assigned program areas, takes or recommends action to achieve organizational objectives, and recommends future program objectives and improvements.	Yes	DHS/USM/OCFO	Washington, D.C.
CFO – S&E	27	Staff Accountant	Prepare, analyze, interpret and present accounting data to leadership. Using accounting information to recommend solutions to management problems and structuring of organization programs.	Yes	DHS/USM/OCFO	Washington, D.C.
CFO – S&E	6	Financial Specialist	Provide budgetary & financial services for DHS Top Secret and Sensitive Compartmented Information (TS/SCI) in support of DHS and will protect sensitive data in the budget and financial processes and support the classified Management Directive.	No	DHS/USM/OCFO - SAPCO	Washington, D.C.
TOTAL **	250					

* The BWS column heading refers to the DHS Balanced Workforce Strategy.

** Previous QFRs requested details for 248 positions, which include decreases in positions. The decreased positions are not included in the table above.

Question: Please provide the Committee with a table showing your current on-board FTE levels for each Departmental office within Office of the Secretary and Executive Management (OSEM) and Under Secretary for Management (USM), broken down by appointment type for appointees, what is anticipated for the end of fiscal year 2011 and what is requested for fiscal year 2012.

ANSWER: The table below shows the Department's current on-board FTE levels for each HQ office.

Current on-boards within OSEM/USM Offices as of February 26, 2011 (PP04)				
OSEM/ USM	Office	Appointment Type	Appointment Type Description	Total
OSEM	Assistant Secretary For Policy	01	Competitive-Career and SES Career	95
		02	Competitive-Career-Conditional	61
		03	Competitive-Term, Taper, Indefinite and SES-Military Term Or Emergency	2
		06	Excepted-Permanent and SES-Noncareer	6
		07	Excepted-Conditional	27
		08	Excepted-Indefinite and Excepted- Limited (More Than 1 Year)	20
		09	Excepted-Temporary and SES-Time Limited-Noncareer	5
		Assistant Secretary For Policy Total:		216
	Citizenship and Immigration Services Ombudsman	01	Competitive-Career and SES Career	11
		02	Competitive-Career-Conditional	17
		06	Excepted-Permanent and SES-Noncareer	1
		07	Excepted-Conditional	1
		09	Excepted-Temporary and SES-Time Limited-Noncareer	4
		Citizenship and Immigration Services Ombudsman Total:		34
	Executive Secretariat	01	Competitive-Career and SES Career	27
		02	Competitive-Career-Conditional	22
		06	Excepted-Permanent and SES-Noncareer	1
		07	Excepted-Conditional	4
		08	Excepted-Indefinite and Excepted-Limited (More Than 1 Year)	2
		Executive Secretariat Total:		56
	Immediate Office of the Deputy Secretary	01	Competitive-Career and SES Career	2
		06	Excepted-Permanent and SES-Noncareer	1
		07	Excepted-Conditional	1
		08	Excepted-Indefinite and Excepted-Limited (More Than 1 Year)	4
	Immediate Office of the Secretary	Immediate Office of the Deputy Secretary Total:		8
		01	Competitive-Career and SES Career	1
		02	Competitive-Career-Conditional	1
		06	Excepted-Permanent and SES-Noncareer	3
		07	Excepted-Conditional	1
		08	Excepted-Indefinite and Excepted-Limited (More Than 1 Year)	3
		09	Excepted-Temporary and SES-Time Limited-Noncareer	1
	Intergovernmental	Immediate Office of the Secretary Total:		10
		01	Competitive-Career and SES Career	7

Current on-boards within OSEM/USM Offices as of February 26, 2011 (PP04)				
OSEM/ USM	Office	Appointment Type	Appointment Type Description	Total
	Programs			
		02	Competitive-Career-Conditional	5
		08	Excepted-Indefinite and Excepted-Limited (More Than 1 Year)	5
		09	Excepted-Temporary and SES-Time Limited-Noncareer	1
Intergovernmental Programs Total:				18
	Office of Civil Rights and Civil Liberties	01	Competitive-Career and SES Career	51
		02	Competitive-Career-Conditional	44
		06	Excepted-Permanent and SES-Noncareer	4
		09	Excepted-Temporary and SES-Time Limited-Noncareer	5
Office of Civil Rights and Civil Liberties Total:				104
	Office of Counternarcotics Enforcement	01	Competitive-Career and SES Career	4
		02	Competitive-Career-Conditional	7
		06	Excepted-Permanent and SES-Noncareer	1
		08	Excepted-Indefinite and Excepted-Limited (More Than 1 Year)	1
		09	Excepted-Temporary and SES-Time Limited-Noncareer	1
Office of Counternarcotics Enforcement Total:				14
	Office of Legislative Affairs	01	Competitive-Career and SES Career	20
		02	Competitive-Career-Conditional	8
		06	Excepted-Permanent and SES-Noncareer	2
		08	Excepted-Indefinite and Excepted-Limited (More Than 1 Year)	5
Office of Legislative Affairs Total:				35
	Office of Public Affairs	01	Competitive-Career and SES Career	13
		02	Competitive-Career-Conditional	4
		06	Excepted-Permanent and SES-Noncareer	1
		08	Excepted-Indefinite and Excepted-Limited (More Than 1 Year)	11
Office of Public Affairs Total:				29
	Office of the Chief of Staff	02	Competitive-Career-Conditional	1
		06	Excepted-Permanent and SES-Noncareer	1
		08	Excepted-Indefinite and Excepted-Limited (More Than 1 Year)	13
		09	Excepted-Temporary and SES-Time Limited-Noncareer	1
Office of the Chief of Staff Total:				16
	Office of the General	01	Competitive-Career and SES Career	36

Current on-boards within OSEM/USM Offices as of February 26, 2011 (PP04)				
OSEM/ USM	Office	Appointment Type	Appointment Type Description	Total
	Counsel			
		02	Competitive-Career-Conditional	13
		06	Excepted-Permanent and SES-Noncareer	50
		07	Excepted-Conditional	27
		08	Excepted-Indefinite and Excepted-Limited (More Than 1 Year)	10
		09	Excepted-Temporary and SES-Time Limited-Noncareer	16
Office of the General Counsel Total:				152
	Office of the Privacy Officer	01	Competitive-Career and SES Career	22
		02	Competitive-Career-Conditional	22
		06	Excepted-Permanent and SES-Noncareer	1
		09	Excepted-Temporary and SES-Time Limited-Noncareer	1
Office of the Privacy Officer Total:				46
OSEM Total:				738
USM	Chief Financial Officer	01	Competitive-Career and SES Career	139
		02	Competitive-Career-Conditional	65
		03	Competitive-Term, Taper, Indefinite and SES-Military Term Or Emergency	1
		06	Excepted-Permanent and SES-Noncareer	4
		07	Excepted-Conditional	15
		08	Excepted-Indefinite and Excepted-Limited (More Than 1 Year)	1
		09	Excepted-Temporary and SES-Time Limited-Noncareer	15
Chief Financial Officer Total:				240
	Chief Human Capital Officer	01	Competitive-Career and SES Career	141
		02	Competitive-Career-Conditional	54
		03	Competitive-Term, Taper, Indefinite and SES-Military Term Or Emergency	3
		04	Competitive-Temporary, Special Need and SES-Time Limited/Career	1
		06	Excepted-Permanent and SES-Noncareer	4
		07	Excepted-Conditional	16
		09	Excepted-Temporary and SES-Time Limited-Noncareer	7
Chief Human Capital Officer Total:				226
	Chief Information Officer	01	Competitive-Career and SES Career	126
		02	Competitive-Career-Conditional	154
		03	Competitive-Term, Taper, Indefinite and SES-Military Term Or Emergency	4
		06	Excepted-Permanent and SES-Noncareer	2

Current on-boards within OSEM/USM Offices as of February 26, 2011 (PP04)				
OSEM/ USM	Office	Appointment Type	Appointment Type Description	Total
		07	Excepted-Conditional	4
		08	Excepted-Indefinite and Excepted-Limited (More Than 1 Year)	1
		09	Excepted-Temporary and SES-Time Limited-Noncareer	6
Chief Information Officer Total:				297
	Chief Procurement Officer	01	Competitive-Career and SES Career	295
		02	Competitive-Career-Conditional	129
		03	Competitive-Term, Taper, Indefinite and SES-Military Term Or Emergency	2
		06	Excepted-Permanent and SES-Non-career	1
		07	Excepted-Conditional	180
		09	Excepted-Temporary and SES-Time Limited-Non-career	4
Chief Procurement Officer Total:				611
	Chief Security Officer	01	Competitive-Career and SES Career	111
		02	Competitive-Career-Conditional	127
		06	Excepted-Permanent and SES Noncareer	2
		07	Excepted-Conditional	5
		09	Excepted-Temporary and SES-Time Limited-Noncareer	2
Chief Security Officer Total:				247
	Immediate Office of the Undersecretary of Management	01	Competitive-Career and SES Career	5
		02	Competitive-Career-Conditional	4
		06	Excepted-Permanent and SES-Noncareer	1
		07	Excepted-Conditional	1
		08	Excepted-Indefinite and Excepted-Limited (More Than 1 Year)	1
		09	Excepted-Temporary and SES-Time Limited Noncareer	3
Immediate Office of the Undersecretary of Management Total:				15
	Office of the Chief Administrative Officer	01	Competitive-Career and SES Career	71
		02	Competitive-Career-Conditional	35
		07	Excepted-Conditional	1
Office of the Chief Administrative Officer Total:				107
USM Total:				1,743
Grand Total:				2,481*

*Includes reimbursable positions

The Departmental Management and Operations (DMO) Offices anticipate having 2,366 employees on-board by the end of FY 2011. The offices within the Office of the Secretary and Executive Management (OSEM)

anticipate having 647 employees on-board and the Under Secretary for Management (USM) offices anticipate 1,719.

For FY 2012, OSEM requests 713 positions and USM offices requests 2,097 positions for a total of 2,810 DMO positions. The estimated positions for each Office do not include anticipated reimbursable positions for FY 2011 or FY 2012. The budget requests for positions were calculated using the cost module based on the assumption that all were Competitive-Career positions.

DHS Leadership/Management Position Vacancies

Question: Please list by office and position all director-level positions and higher across DHS that are vacant or held by individuals in an acting capacity.

ANSWER: The table below identifies vacant positions that are SES or equivalent and have been identified at the 'Director' level and above. The 'Director' designation is a subjective term and components may not apply the same criteria when creating the position titles. Many of these positions are now in the final stages of the hiring process. These vacancies include new SES positions allocated to the Department as a part of the most recent biennial allocation by the Office of Personnel Management (90 positions). A vigorous recruitment process has been used for existing and new positions.

Component	Subcomponent	Position
CBP	Office of the Commissioner - CBP	Director, Policy and Planning
CBP	Office of the Commissioner - CBP	Joint Field Commander, Arizona
CBP	Office of the Commissioner - CBP	Deputy Joint Field Commander, Arizona
CBP	Joint Operations Directorate - CBP	Executive Director, Joint Operations Directorate
CBP	Office of Administration - CBP	Executive Director, Procurement
CBP	Office of Administration - CBP	Executive Director, Facilities Management and Engineering
CBP	Office of International Affairs - CBP	Assistant Commissioner, International Affairs
CBP	Office of International Trade - CBP	Deputy Assistant Commissioner, International Trade
CBP	Office of Technology Innovation & Acquisition - CBP	Executive Director, Integration and Analysis
CBP	Office of Information & Technology - CBP	Executive Director, Field Support
CBP	Office of Field Operations - CBP	Executive Director, National Targeting Center
CBP	Office of Field Operations	Executive Director, Planning, Program Analysis and Evaluation
CBP	Office of Field Operations - CBP	Director, Field Operations (Miami)
CBP	Office of Field Operations - CBP	Director, Field Operations (Los Angeles)
CBP	Office of Field Operations - CBP	Director, Field Operations (San Juan)
CIS	Office of the Director - CIS	Deputy Director, USCIS
CIS	Office of the Director - CIS	Chief, Office of Public Engagement
CIS	Office of the Director - CIS	Chief, Office of Performance and Quality
CIS	Office of Management - CIS	Chief Financial Officer
CIS	Office of Management - CIS	Chief, Intake and Document Production
CIS	Office of Management - CIS	Chief, Human Capital and Training

Component	Subcomponent	Position
CIS	Office of General Counsel - CIS	Chief Counsel (CIS)
CIS	Enterprise Services Division - CIS	Director, National Records Center
CIS	Customer Service Division - CIS	Associate Director, Customer Service
CIS	Service Center Operations - CIS	Director, Service Center (Dallas, TX)
CIS	Office of Field Operations - CIS	Associate Director, Field Operations
CIS	Office of Field Operations - CIS	Regional Director, Southeast Region
DNDO	Office Transformational & Applied Research Directorate - DNDO	Asst. Director, Transformational & Applied Research Directorate
DNDO	Office of Product Acquisition & Deployment Directorate - DNDO	Asst. Director, Product Acquisition & Deployment Directorate
DNDO	Office of Mission Management Directorate - DNDO	Asst. Director, Mission Management Directorate
FEMA	Response and Recovery - FEMA	Deputy Assistant Administrator for Recovery
FEMA	Response and Recovery - FEMA	Director for Long-term Recovery
FEMA	Response and Recovery - FEMA	Director, Individual Assistance Division
FEMA	Response and Recovery - FEMA	Director, Public Assistance Division
FEMA	Response and Recovery - FEMA	Director, Operations Division
FEMA	Response and Recovery - FEMA	Director, National Processing Service Center
FEMA	Protection and National Preparedness - FEMA	Director, Grants Management Division
FEMA	Protection and National Preparedness - FEMA	Director, National Integration Center
FEMA	Protection and National Preparedness - FEMA	Superintendent, Emergency Management Institute (EMI)
FEMA	Federal Insurance & Mitigation - FEMA	Asst. Administrator, Federal Insurance and Mitigation Administration
FEMA	Fire Administration, NPD - FEMA	Assistant Administrator, U.S. Fire Administration (USFA)
FLETC	Office of Counsel - FLETC	Chief Counsel, FLETC
I&A	Office of the Deputy Under Secretary for Analysis - IA	Deputy Under Secretary for Analysis
I&A	Office of the Deputy Under Secretary for Analysis - IA	Director, Border Intelligence Fusion Section
I&A	Office of the Deputy Under Secretary for Analysis - IA	Director, Operations Support Division
ICE	Office of the Assistant Secretary - ICE	Director, Federal Export Enforcement Coordination Center
ICE	Office of the Chief Financial Officer - ICE	Director, Financial Management
ICE	Office of Policy - ICE	Director, Office of Policy
ICE	Office of Enforcement & Removal Operations - ICE	Executive Associate Director, Enforcement and Removal Operations, ERO
ICE	Office of Enforcement & Removal Operations - ICE	Assistant Director for Operations, ERO
ICE	Office of Enforcement & Removal Operations - ICE	Field Office Director, Phoenix, AZ, ERO

Component	Subcomponent	Position
ICE	Office of Enforcement & Removal Operations - ICE	Field Office Director, Los Angeles, CA, ERO
ICE	Office of Enforcement & Removal Operations - ICE	Field Office Director, New York City, NY, ERO
ICE	Office of Homeland Security Investigations - ICE	Director, National Intellectual Property Rights Coordination Center
ICE	Office of Professional Responsibility - ICE	Assistant Director for Investigations
ICE	Office of General Counsel - ICE	Director of Enforcement and Litigation
ICE	Office of General Counsel - ICE	Chief Counsel, New York, ICE
MGMT	Office of the Chief Financial Officer - MGT	Chief Financial Officer
MGMT	Office of the Chief Financial Officer – MGT	Director, Office of Budget
MGMT	Office of the Chief Procurement Officer - MGT	Director, Enterprise Acquisition & Information Technology
MGMT	Office of the Chief Procurement Officer - MGT	Director, Acquisition Program Management
MGMT	Office of the Chief Procurement Officer - MGT	Director, Procurement Oversight Program
MGMT	Office of the Chief Procurement Officer - MGT	Executive Director, Office of Procurement Operations
MGMT	Office of the Chief Human Capital Officer – MGT	Executive Director, Diversity and Inclusion
OHA	Office of Assistant Secretary for Health Affairs	Principal Deputy Asst. Secretary for Health Affairs/Deputy CMO
OPS	Operations Coordination & Planning Division - OCPD	Director
OPS	Operations Coordination & Planning Division - OCPD	Director, Resources Division
OGC	Office of the General Counsel	Principal Deputy General Counsel
OGC	Office of the General Counsel	Assistant General Counsel for Acquisition & Procurement
OGC	Office of the General Counsel	Associate General Counsel for Regulatory Affairs
POLICY	Immediate Office of the Assistant Secretary for Policy	Deputy Assistant Secretary for Policy
POLICY	Immediate Office of the Assistant Secretary for Policy	Executive Director for Strategy & Planning
POLICY	Immediate Office of the Assistant Secretary for Policy	Deputy Assistant Secretary for Analysis
POLICY	Immediate Office of the Assistant Secretary for Policy	Deputy Asst. Secretary for Chemical, Biological, Radiological, & Nuclear
POLICY	Assistant Secretary for State & Local Law Enforcement - POLICY	Assistant Secretary for State & Local Law Enforcement
POLICY	Assistant Secretary for Policy Development - POLICY	Deputy Assistant Secretary for Policy Development

Component	Subcomponent	Position
POLICY	Assistant Secretary for International Affairs - POLICY	Assistant Secretary for International Affairs
POLICY	Office of Screening Coordination - POLICY	Deputy Assistant Secretary for Screening Coordination
NPPD	Assistant Secretary for Infrastructure Protection - NPPD	Director, Risk Management Division
NPPD	Assistant Secretary for Infrastructure Protection - NPPD	Director, Infrastructure Security Compliance Division
NPPD	Assistant Secretary for CS&C - NPPD	Deputy Assistant Secretary for Cyber Security
NPPD	Assistant Secretary for CS&C - NPPD	Deputy Assistant Secretary for Communications
NPPD	Assistant Secretary for CS&C - NPPD	Director, Global Cyber Security Management
NPPD	Assistant Secretary for CS&C – NPPD	Senior Advisor to the Assistant Secretary for Cybersecurity and Communications
NPPD	Assistant Secretary for CS&C – NPPD	Chief Operating Officer, CS&C
NPPD	Assistant Secretary for CS&C – NPPD	Chief Technology Officer, CS&C
NPPD	Assistant Secretary for CS&C – NPPD	Technical Director, National Cyber Security Division (Note: This is a Scientific Professional/Technical (ST) position.)
NPPD	Federal Protective Services - NPPD	Assistant Director of Operations (FPS)
NPPD	Federal Protective Services - NPPD	Assistant Director of Field Operations – East
NPPD	Federal Protective Services - NPPD	Assistant Director of Field Operations – West
NPPD	Federal Protective Services - NPPD	Assistant Director of Field Operations – Central
NPPD	US-VISIT - NPPD	Asst. Director, Program Integration & Mission Services Division, US-VISIT Program
NPPD	National Cybersecurity Center	Chief Technology Officer
NPPD	National Cybersecurity Center	Associate Director, Integration Watch
ST	Under Secretary for Science & Technology - ST	Deputy Under Secretary for Science & Technology
ST	Administration and Support Division - ST	Director, Administration and Support Division
ST	Acquisition Support & Operations Analysis Division - ST	Director, Acquisition Support and Operations Analysis Division
ST	HSARPA - ST	Director, Homeland Security Advanced Research Projects Agency (HSARPA)
ST	HSARPA, Explosives Division - ST	Director, Explosives Division
ST	HSARPA, Chemical/Biological Defense Division - ST	Director, Chemical/Biological Defense Division
ST	Research & Development Partnerships - ST	Director, Research & Development Partnerships

Component	Subcomponent	Position
ST	Research & Development Partnerships - ST	Director, Plum Island Animal Disease Center
USCG	United States Coast Guard	Director of Assessment, Integration and Risk Management
USCG	United States Coast Guard	Deputy, Force Readiness Command
USSS	Office of Government and Public Affairs - USSS	Assistant Director, Government and Public Affairs
TSA	Office of Global Strategies	Director, International Operations
TSA	Office of Global Strategies	Regional Director/Diplomatic Liaison, Asia-Pacific
TSA	Office of Global Strategies	Regional Director/Diplomatic Liaison, Europe
TSA	Office of Transportation Sector Network Management - TSA	General Manager, Intermodal Security Support
TSA	Office of Security Operations - TSA	General Manager, Office of Compliance Programs
TSA	Federal Security Directors - TSA	Federal Security Director - Cat X (Los Angeles International Airport), Los Angeles, CA
TSA	Federal Security Directors - TSA	Federal Security Director - Cat X (Baltimore-Washington Internat'l Airport), Baltimore, MD

In-sourcing / Workforce Re-balancing

Question: From budget briefing materials, it is apparent that DHS is aggressively converting contractor positions to government positions. For the first-year following such a process, it might be easy to point to "savings" obtained by hiring junior to mid-level engineers and canceling contractor contracts which were more expensive than expected. However, as you are aware, the private sector can provide personnel with very specific expertise for a finite period of time, after which that contract can be terminated. Please explain the process by which you calculate the savings beyond year one after conversion and how you account for the net present value and extended overhead costs of maintaining permanent government workforce increases compared to the flexibility of being able to terminate private contractor contracts once a specific project has been completed.

ANSWER: The Balanced Workforce Strategy (BWS) is designed to ensure the Department has the appropriate mix of federal employees and contractors to fulfill our mission in a manner that is cost-effective and ensures appropriate federal oversight. DHS has designed and is currently utilizing a BWS Tool, which is an automated survey that leads a component official through the analysis process of the Department's contracts and mission needs, as a key element of our strategy to reduce expenditures on professional services contracts in order to more effectively and efficiently achieve our mission.

The BWS is incorporated in the earliest stages of both the workforce and acquisition planning processes. By integrating the BWS into these planning processes, we will more efficiently and effectively balance our workforce between contractors and federal workers. Moreover, our increased focus on appropriate federal oversight of contracts will enable us to address possible mission risk while simultaneously ensuring the proper balance between the federal and contractor workforces

Some of the results of our efforts thus far include reducing spending on professional services contracts by 11 percent, or \$420 million, from fiscal year 2009 to fiscal year 2010. The Department's fiscal year 2012 budget request includes an additional \$106 million in cuts to professional services contracts across the Department, demonstrating our commitment to better managing contracts and ensuring the appropriate mix of personnel.

Bonuses

Question: Please list all OSEM, USM, CIO and CFO SES bonuses provided in 2010 by position, office and amount.

ANSWER: Please note that the same Position Title may be listed more than once if more than one individual held the position or if an employee received more than one bonus in CY2010. Please see table below:

Component	Position	Bonus Amount
OSEM/CRCL Subtotal:		\$1,398
	Deputy Officer, Equal Employment	\$1,398
OSEM/Deputy Secretary Subtotal:		\$17,970
	Executive Director, Management Program	\$17,970
OSEM/Executive Secretary Subtotal:		\$7,797
	Deputy Executive Secretary	\$7,797
OSEM/Office of General Counsel Subtotal:		\$118,651
	Associate General Counsel, Division of Operations & Enforcement*	\$6,000
	Associate General Counsel for Immigration	\$3,180
	Associate General Counsel for Immigration	\$12,500
	Associate General Counsel for Intelligence and Analysis	\$1,000
	Associate General Counsel for Intelligence and Analysis	\$13,500
	Associate General Counsel, Division of Operations & Enforcement*	\$7,651
	Associate General Counsel for National	\$12,500
	Associate General Counsel for Regulatory Affairs	\$8,320
	Associate General Counsel for Science	\$13,000
	Deputy Associate General Counsel	\$1,530
	Deputy Associate General Counsel for General Laws	\$10,500
	Deputy Associate General Counsel for Legal Counsel	\$11,000
	Deputy General Counsel	\$17,970
OSEM/Policy Subtotal:		\$78,136
	Associate Director, Identity Management	\$13,339
	Attaché to London	\$11,681
	DAS For Counterterrorism Policy	\$10,678
	Deputy Assistant Secretary for International Affairs	\$9,660
	Deputy Assistant Secretary for Plans	\$14,376
	Mexico DHS Attaché	\$8,540
	Senior Director, Immigration and Border	\$9,862
OSEM/Privacy Officer Subtotal:		\$11,075
	Deputy Chief Privacy Officer	\$11,075
USM/CAO Subtotal:		\$70,577

Component	Position	Bonus Amount
	Chief, Administrative Services	\$14,376
	Deputy, Chief Administrative Services	\$16,173
	Director of Asset & Logistics Management	\$15,650
	Director, Administrative Operations	\$15,378
	Director, HQ Consolidation	\$9,000
USM/CFO Subtotal:		\$108,883
	Deputy Budget Director	\$14,127
	Deputy Budget Director	\$5,000
	Deputy Director, Financial Management	\$3,500
	Deputy Director, Financial Management	\$7,550
	Deputy, Chief Financial Officer	\$16,173
	Director, Financial Management	\$15,730
	Director, Grants Policy & Oversight	\$3,500
	Director, Grants Policy & Oversight	\$8,112
	Director, Headquarters Operations	\$4,000
	Director, Headquarters Operations	\$7,628
	Director, Office of Budget	\$4,000
	Director, Program Analysis & Evaluation	\$3,500
	Director, Resource Management Transformation	\$4,000
	Director, Resource Management Transformation	\$12,063
USM/CHCO Subtotal:		\$80,980
	Chief Learning Officer	\$8,651
	Deputy Chief Human Capital Officer	\$13,200
	Executive Director, Policy & Programs	\$15,147
	Executive Director, Enterprise Leader Development Programs	\$8,985
	Executive Director, Balanced Workforce	\$15,498
	Executive Director, Human Capital Business Systems	\$13,499
	Executive Director, Human Resource Management & Services	\$6,000
USM/CIO Subtotal:		\$63,010
	Deputy Chief Information Officer	\$13,884
	Deputy Director, Information Technology	\$7,770
	Director Enterprise Business Management	\$11,079
	Director, Information Security	\$13,548
	Director, Office of Applied Technology	\$8,383
	Executive Director	\$8,346
USM/CPO Subtotal:		\$73,122
	Deputy Chief Procurement Officer	\$14,376
	Director Office of Procurement Operations	\$12,139
	Director, Contract Operations	\$8,816
	Director, Office of Small & Disadvantaged Business Utilization	\$12,229
	Director, Selective Acquisition	\$8,386
	Director, Strategic Initiative, (Acquisition)	\$8,852
	Senior Counselor	\$8,324
USM/CSO Subtotal:		\$38,870

Component	Position	Bonus Amount
	Chief Security Officer	\$14,376
	Chief, Counterintelligence & Investigation	\$8,321
	Deputy Chief Security Officer	\$16,173
Grand Total:		\$670,469

Question: Please list by office and pay grade level the number of non-SES employees who received a bonus or quality step increase (qsi) in 2010, the total bonus/qsi expenditures for the particular office and pay grade, and the total number of employees in the office and pay grade.

ANSWER: Please see tables below, which include performance-based bonuses. Note: It is possible that employees who received a bonus/QSI will be counted more than once in the 'Employees who received a bonus/QSI' column if they moved to different DHS agencies or held multiple grades during CY10.

OSEM/USM Offices Employees on-board as of 12/31/2010 – Bonus (Awards) and QSIs by Component and Pay Grade for CY2010 (Excluding SES/TSES)						
OSEM / USM	Office	Grade	On-board		Grade	Employees who received a bonus/QSI
Office of the Secretary and Executive Management			663			488
	Assistant Secretary For Policy		Total: 200			Total: 134
		GS-05	1		GS-07	4
		GS-07	8		GS-09	14
		GS-09	35		GS-11	15
		GS-11	36		GS-12	20
		GS-12	22		GS-13	18
		GS-13	19		GS-14	20
		GS-14	24		GS-15	39
		GS-15	51		SL-00	4
		SL-00	4			
	Citizenship and Immigration Services Ombudsman		Total: 31			Total: 24
		GS-04	1		GS-09	6
		GS-07	1		GS-11	4
		GS-09	8		GS-12	1
		GS-11	5		GS-13	7
		GS-12	1		GS-14	3
		GS-13	6		GS-15	3
		GS-14	5			
		GS-15	4			
	Executive Secretariat		Total: 49			Total: 41
						\$128,027

OSEM/USM Offices Employees on-board as of 12/31/2010 – Bonus (Awards) and QSIs by Component and Pay Grade for CY2010 (Excluding SES/TSES)						
OSEM / USM	Office	Grade	On-board	Grade	Employees who received a bonus/QSI	Total amount of bonus/QSI
		GS-04	2	GS-09	5	\$9,138
		GS-09	9	GS-11	4	\$7,054
		GS-11	5	GS-12	10	\$27,536
		GS-12	11	GS-13	8	\$27,615
		GS-13	8	GS-14	7	\$24,559
		GS-14	6	GS-15	7	\$32,125
		GS-15	8			
	Federal Coordinator For Gulf Coast Rebuilding				Total: 7	\$42,846
	(No on-boards as of 12/31/2010 due to the closure of the office on March 31, 2010 per E.O.)			GS-07	1	\$3,060
				GS-09	2	\$10,712
				GS-12	1	\$6,121
				GS-14	1	\$7,651
				GS-15	2	\$15,302
	Immediate Office of the Deputy Secretary		Total: 4		Total: 1	\$6,000
		GS-07	1	GS-13	1	\$6,000
		GS-11	1			
		GS-13	1			
		GS-14	1			
	Immediate Office of the Secretary		Total: 5		Total: 2	\$11,000
		GS-13	1	GS-13	1	\$5,000
		GS-14	2	GS-15	1	\$6,000
		GS-15	2			
	Intergovernmental Programs		Total: 17		Total: 8	\$41,893
		GS-09	1	GS-12	1	\$8,000
		GS-11	3	GS-13	5	\$22,000
		GS-12	1	GS-14	1	\$2,893
		GS-13	7	GS-15	1	\$9,000
		GS-14	3			
		GS-15	2			

OSEM/USM Offices Employees on-board as of 12/31/2010 – Bonus (Awards) and QSIs by Component and Pay Grade for CY2010 (Excluding SES/TSES)						
OSEM / USM	Office	Grade	On-board	Grade	Employees who received a bonus/QSI	Total amount of bonus/QSI
	Office of Civil Rights and Civil Liberties		Total: 98		Total: 75	\$323,735
		GS-04	1	GS-08	5	\$5,300
		GS-07	5	GS-09	1	\$800
		GS-08	5	GS-11	1	\$2,800
		GS-09	1	GS-13	8	\$26,681
		GS-11	3	GS-14	33	\$153,096
		GS-12	1	GS-15	27	\$135,058
		GS-13	13			
		GS-14	37			
		GS-15	32			
	Office of Counternarcotics Enforcement		Total: 12		Total: 6	\$15,537
		GS-09	1	GS-11	1	\$3,125
		GS-11	2	GS-12	1	\$3,745
		GS-12	1	GS-13	3	\$6,378
		GS-13	4	GS-15	1	\$2,289
		GS-15	4			
	Office of Legislative Affairs		Total: 33		Total: 27	\$66,600
		GS-07	4	GS-07	4	\$8,600
		GS-08	1	GS-08	1	\$500
		GS-09	2	GS-09	1	\$1,500
		GS-12	3	GS-12	3	\$5,900
		GS-13	2	GS-13	2	\$7,700
		GS-14	11	GS-14	8	\$19,500
		GS-15	10	GS-15	8	\$22,900
	Office of Public Affairs		Total: 27		Total: 22	\$62,371
		GS-07	2	GS-07	4	\$5,221
		GS-09	5	GS-09	1	\$1,720
		GS-11	2	GS-11	1	\$2,081
		GS-12	1	GS-12	1	\$1,000
		GS-13	3	GS-13	3	\$9,968
		GS-14	5	GS-14	4	\$10,805
		GS-15	9	GS-15	8	\$31,577

OSEM/USM Offices Employees on-board as of 12/31/2010 – Bonus (Awards) and QSIs by Component and Pay Grade for CY2010 (Excluding SES/TSES)						
OSEM / USM	Office	Grade	On-board	Grade	Employees who received a bonus/QSI	Total amount of bonus/QSI
	Office of the Chief of Staff		Total: 13		Total: 1	\$3,339
		GS-09	6	GS-14	1	\$3,339
		GS-11	2			
		GS-12	1			
		GS-13	2			
		GS-14	2			
	Office of the General Counsel		Total: 136		Total: 100	\$406,636
		GS-03	2	GS-04	1	\$742
		GS-04	1	GS-11	4	\$8,500
		GS-07	1	GS-12	9	\$22,829
		GS-09	1	GS-13	5	\$15,879
		GS-11	11	GS-14	18	\$56,295
		GS-12	15	GS-15	60	\$261,317
		GS-13	5	SL-00	3	\$41,073
		GS-14	26			
		GS-15	71			
		SL-00	3			
	Office of the Privacy Officer		Total: 38		Total: 40	\$183,924
		GS-04	1	GS-09	6	\$16,615
		GS-09	3	GS-11	6	\$12,369
		GS-11	5	GS-12	3	\$9,002
		GS-12	3	GS-13	11	\$31,161
		GS-13	11	GS-14	6	\$48,520
		GS-14	6	GS-15	8	\$66,258
		GS-15	9			
Under Secretary for Management			Total: 1,628		Total: 1,284	\$4,336,193
	Chief Financial Officer		Total: 225		Total: 202	\$801,259
		GS-04	10	GS-04	2	\$1,300
		GS-05	1	GS-05	1	\$1,494
		GS-06	1	GS-06	1	\$765
		GS-07	6	GS-07	7	\$6,692
		GS-09	18	GS-09	18	\$38,968
		GS-11	14	GS-11	12	\$32,174
		GS-12	21	GS-12	22	\$42,708

OSEM/USM Offices Employees on-board as of 12/31/2010 – Bonus (Awards) and QSIs by Component and Pay Grade for CY2010 (Excluding SES/TSES)						
OSEM / USM	Office	Grade	On-board	Grade	Employees who received a bonus/QSI	Total amount of bonus/QSI
		GS-13	34	GS-13	29	\$94,902
		GS-14	87	GS-14	79	\$365,333
		GS-15	32	GS-15	30	\$202,682
		SL-00	1	SL-00	1	\$14,241
	Chief Human Capital Officer		Total: 211		Total: 168	\$380,999
		GS-02	1	GS-04	1	\$500
		GS-03	2	GS-05	1	\$1,617
		GS-04	5	GS-07	9	\$6,137
		GS-05	2	GS-08	4	\$2,000
		GS-06	1	GS-09	6	\$4,490
		GS-07	13	GS-11	14	\$18,465
		GS-08	4	GS-12	10	\$13,873
		GS-09	11	GS-13	31	\$58,740
		GS-11	16	GS-14	54	\$136,283
		GS-12	10	GS-15	38	\$138,894
		GS-13	36			
		GS-14	69			
		GS-15	41			
	Chief Information Officer		Total: 262		Total: 184	\$860,799
		GS-01	1	GS-03	1	\$1,357
		GS-03	3	GS-09	1	\$2,065
		GS-04	3	GS-11	5	\$11,194
		GS-07	1	GS-12	11	\$25,841
		GS-09	1	GS-13	35	\$144,666
		GS-11	5	GS-14	76	\$364,374
		GS-12	12	GS-15	54	\$303,951
		GS-13	54	SL-00	1	\$7,352
		GS-14	104			
		GS-15	77			
		SL-00	1			
	Chief Procurement Officer		Total: 579		Total: 457	\$1,449,801
		GS-02	2	GS-05	2	\$2,183
		GS-04	2	GS-06	1	\$1,865
		GS-05	3	GS-07	31	\$23,645
		GS-06	5	GS-09	72	\$80,065

OSEM/USM Offices						
Employees on-board as of 12/31/2010 – Bonus (Awards) and QSIs by Component and Pay Grade for CY2010 (Excluding SES/TSES)						
OSEM / USM	Office	Grade	On-board	Grade	Employees who received a bonus/QSI	Total amount of bonus/QSI
		GS-07	111	GS-11	69	\$127,134
		GS-09	76	GS-12	17	\$37,791
		GS-11	76	GS-13	30	\$87,160
		GS-12	17	GS-14	68	\$247,763
		GS-13	35	GS-15	165	\$823,492
		GS-14	75	SL-00	2	\$18,702
		GS-15	175			
		SL-00	2			
	Chief Security Officer		Total: 245		Total: 189	\$557,878
		GS-04	7	GS-05	12	\$20,230
		GS-05	11	GS-06	2	\$1,730
		GS-06	1	GS-07	2	\$2,100
		GS-07	4	GS-09	5	\$9,400
		GS-09	10	GS-11	8	\$15,200
		GS-11	11	GS-12	24	\$57,185
		GS-12	31	GS-13	69	\$205,496
		GS-13	95	GS-14	49	\$170,008
		GS-14	56	GS-15	18	\$76,528
		GS-15	19			
	Immediate Office of the Undersecretary of Management		Total: 12		Total: 13	\$33,783
		GS-04	1	GS-04	2	\$1,000
		GS-07	1	GS-07	1	\$1,400
		GS-12	1	GS-11	1	\$1,000
		GS-13	3	GS-12	1	\$2,250
		GS-14	3	GS-13	2	\$3,073
		GS-15	3	GS-14	3	\$12,250
				GS-15	3	\$12,810
	Office of the Chief Administrative Officer		Total: 94		Total: 71	\$251,676
		GS-06	1	GS-06	1	\$1,200
		GS-09	1	GS-11	1	\$3,000
		GS-11	4	GS-12	4	\$15,000
		GS-12	15	GS-13	21	\$67,485
		GS-13	25	GS-14	21	\$64,105
		GS-14	25	GS-15	22	\$98,516
		GS-15	23	SL-00	1	\$2,370

OSEM/USM Offices Employees on-board as of 12/31/2010 – Bonus (Awards) and QSI by Component and Pay Grade for CY2010 (Excluding SES/TSES)						
OSEM / USM	Office	Grade	On-board	Grade	Employees who received a bonus/QSI	Total amount of bonus/QSI
Grand Totals:			2,291		1,772	\$6,279,903

Question: Please provide a table showing how much is requested in the 2012 budget for bonuses for OSEM, USM, CIO and CFO political employees; OSEM, USM, CIO and CFO SES employees; and OSEM, USM, CIO, and CFO non-SES employees.

ANSWER: The bonuses are included within the salaries and benefits object classes in the FY2012 Budget Request. While there is no specific amount requested for bonuses, the following table provides an estimate:

FY 2012 Budget Estimate for Bonuses				
Appropriation	Political Employees	SES Employees	Non-SES Employees	Total
OSEM	\$ 0	\$221,000	\$1,440,000	\$1,661,000
USM	\$ 0	\$253,000	\$1,645,000	\$1,898,000
OCFO	\$ 0	\$72,000	\$471,000	\$543,000
OCIO	\$ 0	\$59,000	\$381,000	\$440,000
Grand Total	\$ 0	\$605,000	\$3,937,000	\$4,542,000

Travel

Question: Please provide a detailed justification for the fiscal year 2012 travel budgets for the Secretary, Deputy Secretary and the Chief of Staff as compared to the fiscal year 2010-11 enacted levels and discuss why any increases are necessary for the upcoming fiscal year.

ANSWER: The table below provides a detailed justification for the Secretary, Deputy Secretary and the Chief of State fiscal year 2010-12 travel budgets.

Travel Budget Amount in (000's)			
Office	FY 2010 Enacted	FY 2011 CR	FY 2012 Request
Secretary	\$2,185	\$2,185	\$2,012
Deputy Secretary	\$749	\$749	\$677
	(*This includes \$300K reprogramming)		
Chief of Staff	\$380	\$380	\$351

Question: Please provide a breakdown of the travel thus far taken by the Secretary, Deputy Secretary and Chief of Staff in Fiscal Year 2010, listing dates, destinations, purposes and costs by trip, as well as the balances remaining in their travel budgets for the current fiscal year.

ANSWER: The tables below provides the necessary breakdown of the travel thus far taken by the Secretary, Deputy Secretary and Chief of Staff in Fiscal Year 2010, listing dates, destinations, purposes and costs by trip, as well as the balances remaining in their travel budgets for the current fiscal year.

Remaining Balance in Travel Budget for FY11 as of March 15, 2011	
Office of the Secretary	\$964,739
Office of the Deputy Secretary	\$0 (Other available funds in the Office of the Deputy Secretary's budget are being used to cover urgent, mission-critical travel.)
Chief of Staff	\$249,500

<u>Traveler</u>	<u>Start Date</u>	<u>End Date</u>	<u>Purpose of Travel</u>	<u>Destination</u>	<u>Gov't Aircraft Cost</u>	<u>State Dept. Fees</u>	<u>Misc. Travel Expenses (Communication & Transportation)</u>
Secretary	10/5/2009	10/5/2009	Meeting with Gov. Ritter & Rep. Perlmutter at the Center for Empowered Living and Learning (CELL), Meeting with the International Association of Chiefs of Police (IACP) & Major City Chiefs	Denver, CO	\$30,030	\$0	\$0
Secretary	10/12/2009	10/12/2009	Cyber Security Meeting with Private Sector Stakeholders, Media interviews	New York, NY	\$6,490	\$0	\$0
Secretary	10/15/2009	10/17/2009	Remarks at National Fusion Center Directors' Meeting, Town Hall with POTUS on Hurricane Katrina Rebuilding, Tour and Briefing of USCG Operations in Lower Mississippi River, Remarks at Santa Clara University Presidents' Speaker Series, Media Interviews, Web 2.0 Technologies and Crisis Response Meeting with CA State Officials and Private Sector Stakeholders, Cyber Security Meeting with Tech Industry Stakeholders in Palo Alto	New Orleans, LA; Santa Clara, CA; San Jose, CA; Palo Alto, CA	\$52,055	\$0	\$306
Secretary	11/2/2009	11/9/2009	Meeting with U.S. Ambassador to Denmark Laurie Fulton, Meeting with Danish Justice Minister Mikkelsen, Meeting on Human Trafficking at Danish Institute for International Studies, Meeting with Danish Transportation Minister Lars Barfoed, Meeting with Spanish Justice Minister Cuamardo Dominguez, Remarks at the International Conference of Data Protection and Privacy Commissioners, G6 Meeting, Meeting with German Minister of Interior Thomas De Maiziere, Meeting with French Interior Minister Hortefeux, Meeting with Italian Minister Maroni, Meeting with Polish Minister Miller, Remarks at London School of Economics, Briefing by London Metropolitan Police, Meeting with European Parliament Leadership, Meeting with Secretary General of the World Customs Organization Kunio Mikuriya, Media Interviews, Meeting with Belgian Minister of Interior Annemie Turtelboom, Zayed University Women's event, Meeting with UAE Minister of Interior Sheikh Saif al Nahyan, Meeting with Crown Prince Mohammed Bin Zayed at Nahyan, Meeting with Sheikh Ahmed Bin Tahnoon	Copenhagen, Denmark; Madrid, Spain; London, UK; Brussels, Belgium; Abu Dhabi, UAE; Ireland; Ramstein, Germany	\$94,999	\$43,855	\$1,786
Secretary	11/13/2009	11/15/2009	Remarks at Yeshiva Beth Yehudah Dinner with Sens. Stabenow and Levin, Rep. Peters, Mayor Bing, and	Detroit, MI	\$35,065	\$0	\$0

<u>Traveler</u>	<u>Start Date</u>	<u>End Date</u>	<u>Purpose of Travel</u>	<u>Destination</u>	<u>Gov't Aircraft Cost</u>	<u>State Dept. Fees</u>	<u>Misc. Travel Expenses (Communication & Transportation)</u>
Secretary	12/2/2009	12/6/2009	other Officials Remarks at America-Israel Friendship League's Partners for Democracy Award Dinner, Media interviews, Briefing at FEMA Region II HQ, Briefing at USCIS District Office in NYC, Meeting with Sports Commissioners and Security Directors, Remarks and Meeting at Real Estate Council of NY, Remarks at Naturalization Ceremony on Ellis Island, Briefing and Tour of Electronic Crimes Task Force Center, New York Stock Exchange Briefing and Tour	New York, NY	\$15,852	\$0	\$1,187
Secretary	12/9/2009	12/10/2009	Meeting with CBP and ICE personnel from Laredo, Tucson, Rio Grande, San Diego, and Del Rio Sectors, Meeting with Arizona Republic Editorial Board, Critical Infrastructure Meeting with Private Sector Stakeholders, Tour and Briefing at USCIS District Office	Phoenix, AZ	\$38,784	\$0	\$41
Secretary	1/16/2010	1/16/2010	Meeting with Homeland Security Taskforce Southeast (HSTF-SE) Director, Deputy Director, and Unified Command, Briefing on DHS/HSTF-SE partnering efforts, Briefings on Haitian immigration issues with Vice President Biden	Miami, FL; Homestead, FL	\$20,529	\$0	\$50
Secretary	1/20/2010	1/23/010	Meeting with Spanish Interior Minister Rubalcaba, Meeting with German Minister of Interior De Maiziere, Meeting with UK Home Secretary Alan Johnson, Meeting with French Interior Minister Hortefeux, EU Justice and Home Affairs Ministerial Meeting, Media interviews, Meeting with Swiss Justice and Police Minister Widmer-Schlumpf, Meeting with Dutch Justice Minister Ballin, Meeting with Spanish Justice Minister Camacho, Meeting with German Minister of Justice Leutheusser-Schnarrenberger, Meeting with Swedish Minister of Justice Ask, Meeting with Danish Justice Minister Mikkelsen, Meeting with International Air Transport Association, Meeting with International Organization for Migration, Meeting with Secretary General of the ICAO	Toledo, Spain; Geneva, Switzerland	\$78,046	\$25,960	\$996
Secretary	2/1/2010	2/1/2010	Super Bowl Security Press Conference with FBI and Local Law Enforcement, Tour and Briefing at Sun Life Stadium, Tour and Briefing at Joint Operations Center,	Miami, FL	\$21,044	\$0	\$0

<u>Traveler</u>	<u>Start Date</u>	<u>End Date</u>	<u>Purpose of Travel</u>	<u>Destination</u>	<u>Gov't Aircraft Cost</u>	<u>State Dept. Fees</u>	<u>Misc. Travel Expenses (Communication & Transportation)</u>
			Maritime Passenger and Cargo Screening Meeting with Local Law Enforcement and Private Sector Stakeholders. Meeting with USCIS Personnel on Haiti Relief				
Secretary	2/2/2010	2/3/2010	Remarks and Briefing at HSAC Meeting with Southwest Border Taskforce, Local Law Enforcement, Government Officials, and Stakeholders	New York, NY	\$6,579	\$0	\$312
Secretary	2/16/2010	2/18/2010	K9 Training Facility Tour and Demo, Lead U.S. Delegation at the Regional Aviation Security Conference, Meeting with Mexican President Calderón, Meeting with Secretary Gomez Mont, Meeting with Mexican Secretary of Public Safety Garcia Luna, Media interviews	San Antonio, TX; Mexico City, Mexico	\$42,338	\$1,600	\$238
Secretary	2/25/2010	3/1/2010	Served as the head of the U.S. delegation to the Closing Ceremonies of the Vancouver Olympics, Meeting with Minister Toews, media interviews, Olympics coordination office visit. Remarks to the RSA Conference.	Vancouver, Canada; San Francisco, CA	\$22,630	\$0	\$184
Secretary	3/10/2010	3/14/2010	Meeting with Chairman of National Public Safety commission Hiroshi Nakai, Meeting with Minister of Justice Kieko Chiba, Remarks to the American Chamber of Commerce, Meeting with Japanese Minister of Foreign Affairs Kanukya Okada, Meeting with Japanese Prime Minister Yukio Hatoyama, Meeting with Minister Seiji Maehara, Meeting with Australian Transport Minister Albanese, Meeting with New Zealand Transport Minister Steven Joyce.	Seattle, WA; Tokyo, Japan;	\$133,812	\$13,600	\$845
Secretary	3/17/2010	3/17/2010	Visit to Federal Law Enforcement Training Center (FLETC), Briefing and demonstration of Tactical Flying while Armed (FWA) training module, Visit to driver training complex visit, Address to Staff, Students, and Community Leaders, Briefing of Port of Entry training module.	Brunswick, GA	\$13,180	\$0	\$0
Secretary	3/23/2010	3/23/2010	National High Level group meeting, meeting with President Calderón, Media interviews	Mexico City, MX (Note: State Dept. sponsored trip, no flight cost)	\$0	\$0	\$0
Secretary	3/25/2010	3/29/2010	Remarks on new and evolving national security threats at Arizona State University, Media interviews,	Phoenix, AZ;	\$18,593	\$0	\$333

<u>Traveler</u>	<u>Start Date</u>	<u>End Date</u>	<u>Purpose of Travel</u>	<u>Destination</u>	<u>Gov't Aircraft Cost</u>	<u>State Dept. Fees</u>	<u>Misc. Travel Expenses (Communication & Transportation)</u>
Secretary	4/2/2010	4/2/2010	Meeting with US Airways CEO Doug Parker. Address to ASU Law School and School of Transformation. Meetings with Governor Carlier, Senator Whitehouse, Congressman Kennedy, Congressman Langevin, and local officials. Press conference.	Warwick, Westerly, RI	\$9,346	\$0	\$0
Secretary	4/8/2010	4/12/2010	Meetings with Belgian Justice Minister De Clerck. Meeting with Hungarian State Secretary Judit Fazakas. Meeting with EU Commissioner Cecilia Malmstrom. Meeting with Minister of Interior Turelboom. meeting with CNI Director Sanz Roldan. Container Security initiative tour/briefing. meeting with Secretary general ICAO Raymond Benjamin. meeting with Deputy Ethiopia Minister of Transportation Mengisple. meeting with Comoros Minister of Transportation Houadi. meeting with Swaziland Minister of Public Works and Transportation Dlamini. meeting with Uganda Minister of State for Transportation Ejua. meeting with Director of Air Council International Angela Gittens. Meeting with Angola Vice Minister Kuvinga. Meeting with Nigerian Aviation Minister Njeze and Permanent Secretary Kifasi. Ministerial Dinner on Aviation Security. Media interviews	Madrid Spain; Barcelona, Spain; Abuja, Nigeria; Bangor, ME; Shannon Ireland	\$62,845	\$10,832	\$975
Secretary	4/12/2010	4/13/2010	Thomas Jefferson Foundation Medal in Law Presentation. Media interviews	(Returned directly from Shannon, Ireland) Charlottesville, VA	\$60,395	\$0	\$0
Secretary	4/15/2010	4/16/2010	Recovery Act announcement at Logan airport, S&T surveillance demonstration. Meeting with Governor Deval Patrick. Remarks at Kennedy School of Government. Roundtable with university officials at Massachusetts Institute of Technology. Remarks to the Big 50 Police Union Leadership Seminar. American Police Beat Interview. Fire station visit. Roundtable with University Presidents. Naturalization Ceremony. Meeting with Mayor Menino. Private Sector roundtable.	Boston, MA	\$9,891	\$0	\$438
Secretary	4/19/2010	4/19/2010	Oklahoma City Bombing Annual Remembrance	Oklahoma City,	\$22,039	\$0	\$0

<u>Traveler</u>	<u>Start Date</u>	<u>End Date</u>	<u>Purpose of Travel</u>	<u>Destination</u>	<u>Gov't Aircraft Cost</u>	<u>State Dept. Fees</u>	<u>Misc. Travel Expenses (Communication & Transportation)</u>
			Ceremony, Roundtable with First Responders, Meeting with memorial institute for prevention of terrorism, and national media symposium	OK			
Secretary	4/30/2010	4/30/2010	Trip to Gulf Coast region to oversee response efforts related to BP Oil Spill	Houma, LA; Robert, LA	\$20,935	\$0	\$0
Secretary	5/6/2010	5/6/2010	Trip to Gulf Coast region to oversee response efforts related to BP Oil Spill	Biloxi, MS; Pensacola, FL	\$19,360	\$0	\$0
Secretary	5/8/2010	5/8/2010	Trip to Gulf Coast region to oversee response efforts related to BP Oil Spill	Nashville, TN	\$11,290	\$0	\$0
Secretary	5/11/2010	5/11/2010	Trip to Gulf Coast region to oversee response efforts related to BP Oil Spill	Mobile, AL	\$15,715	\$0	\$0
Secretary	5/15/2010	5/16/2010	Deliver commencement address at the University of North Dakota, Deliver the commencement address at Pomona College	Grand Forks, ND; Pomona, CA	\$48,761	\$0	\$58
Secretary	5/24/2010	5/24/2010	Trip to Gulf Coast region to oversee response efforts related to BP Oil Spill	New Orleans, LA; Galliano, LA	\$37,794	\$0	\$0
Secretary	5/26/2010	5/26/2010	Agriculture business roundtable, Meeting with Truman Scholars, Meeting with Kansas City Royals officials, Roundtable with Governor Jay Nixon and First Responders, Emergency response equipment demonstration	Liberty, MO; Kansas City, MO	\$17,239	\$0	\$0
Secretary	5/30/2010	6/2/2010	Briefing of Joint Security Forces training facility, de-radicalization briefing, Meeting with Second Deputy Prime Minister Prince Naif Bin Abdulaziz Al Saud Minister of Interior, Meeting with Custodian of the Two Holy Mosques King Abdullah Bin Abdulaziz, Meeting with Prince Mohammed Bin Naif Bin Abdulaziz Al Saud, Assistant Minister of Interior, Tour of Jeddah Islamic port, Meeting with Saudi Business Leaders, Women's Leadership and Public Service Speech, Meeting with Sultan Al Mansouri, Aviation Security Conference Keynote Address, Meeting with Jordanian Minister of Transportation Ala Al Batayneh, Meeting with Iraqi Minister of Transportation Amer Abdul Jabbar Ismael, Media interviews	(WH designated mission: no flight cost to DHS), Jeddah, Saudi Arabia; Abu Dhabi, UAE; Shannon, Ireland	\$0	\$2,319	\$1,172
Secretary	6/11/2010	6/11/2010	Trip to Gulf Coast region to oversee efforts related to BP Oil Spill	Houma, LA; Grand Isle, LA	\$22,750	\$0	\$0
Secretary	6/24/2010	6/27/2010	Meeting with Mayor Hickenlooper, Remarks to	Denver, CO	\$35,591	\$0	\$0

<u>Traveler</u>	<u>Start Date</u>	<u>End Date</u>	<u>Purpose of Travel</u>	<u>Destination</u>	<u>Gov't Aircraft Cost</u>	<u>State Dept. Fees</u>	<u>Misc. Travel Expenses (Communication & Transportation)</u>
Secretary	6/28/2010	6/28/2010	NALCO, Meeting with NALCO officials.	New Orleans, LA	\$11,584	\$0	\$0
Secretary	6/30/2010	7/1/2010	Trip to Gulf Coast region to oversee efforts related to BP Oil Spill Announcement at New York Penn Station and Philadelphia 30 th Street Station of "If you See Something, Say Something" initiative.	New York, NY; Philadelphia, PA (returning via Amtrak)	\$4,006	\$0	\$0
Secretary	7/2/2010	7/5/2010	Attend Senator Byrd's Memorial Service	Charlestown, WV	\$27,770	\$0	\$0
Secretary	7/11/2010	7/11/2010	Meeting of National Governors' Association, Meeting with Arizona Governor Brewer, Council of Governors meeting. Meeting with Governor Ritter	Boston, MA	\$10,538	\$0	\$0
Secretary	7/16/2010	7/18/2010	Laredo Port of Entry, Law Enforcement officials roundtable. Announcement of Operation Stonegarden grants, Laredo Morning Times Editorial Board, Media Interviews	Laredo, TX;	\$36,748	\$0	\$0
Secretary	7/23/2010	7/23/2010	Trip to Gulf Coast region to oversee efforts related to BP Oil Spill, Remarks at the Stratton Christening ceremony with First Lady	Pascagoula, MS (WH trip - no flight cost)	\$0	\$0	\$0
Secretary	7/26/2010	7/26/2010	General Aviation event, Roundtable with industry CEOs	Oaklough, WI	\$14,893	\$0	\$0
Secretary	7/30/2010	8/1/2010	Briefing with USCG operational units	Candlen, ME	\$14,430	\$0	\$0
Secretary	8/2/2010	8/2/2010	Trip to Gulf Coast region to oversee efforts related to BP Oil Spill, Remarks to the National Sports Safety and Security conference	New Orleans, LA	\$19,682	\$0	\$0
Secretary	8/24/2010	8/26/2010	Tour Westside Great Falls Levee district, tour CBP Air and Marine facility, Meeting with Senators Baucus and Tester, Tour Montana Ports of Entry, Community Roundtable, Remarks to International Association of Fire Chiefs, Chicago Board of Trade, Critical infrastructure visit, Office of Emergency Management and Communications briefing with Mayor Daley, Chief Security Officer Roundtable	Montana: Chicago, IL	\$36,051	\$0	\$123
Secretary	8/29/2010	8/29/2010	Trip to Gulf Coast region to oversee efforts related to BP Oil Spill, Remarks at Hurricane Katrina 5th Anniversary Commemoration ceremony	Gulfpport, MS; Pass Christian, MS	\$19,793	\$0	\$0
Secretary	9/1/2010	9/6/2010	Law Enforcement Roundtable, Southern Shield Briefing, Fusion center tour, Flood Recovery Update Meeting, Nashville Tennessee Editorial Board	Nashville, TN	\$29,559	\$0	\$0
Secretary	9/10/2010	9/11/2010	Remarks at NYC Emergency Operations Center, Tour	New York, NY	\$7,389	\$0	\$71

<u>Traveler</u>	<u>Start Date</u>	<u>End Date</u>	<u>Purpose of Travel</u>	<u>Destination</u>	<u>Gov't Aircraft Cost</u>	<u>State Dept. Fees</u>	<u>Misc. Travel Expenses (Communication & Transportation)</u>
			Ground Zero, Dinner with Firefighters, 9-11 Ground Zero Memorial Ceremony and Mass Visit to JTF				
Secretary	9/14/2010	9/14/2010	USCIS Naturalization Ceremony	Boston, MA	\$9,038	\$0	\$0
	9/23/2010	9/24/2010	Remarks to World Affairs Council, Remarks to National Conference of Editorial Writers	Dallas, TX	\$22,991	\$0	\$71
Secretary	9/27/2010	9/29/2010	Meeting with ICAO Secretary General Raymond Bejjani, Meeting with delegations from Mexico, Belgium, Nigeria, India, Canada, and Singapore, . Remarks to ICAO General Assembly on international aviation security initiative, Meeting with ICAO Secretary General Giovanni Bisignani	Montreal, Canada	\$12,885	\$1,300	\$0
Deputy Secretary	10/4/2009	10/6/2009	Meeting with Ambassador Pascual, Meeting with U.S., Mexican, and Canadian Officials, Trilateral Meeting concerning U.S./Mexico/Canada at the Mexican Ministry of Interior, Meeting with Mexican Attorney General Chavez	Mexico City, Mexico	\$34,705	\$355	\$388
Deputy Secretary	12/10/2009	12/13/2009	Meeting with Ambassador Susan Rice, El Dorado Task Force Briefing, Immigrant Integration Meeting	New York, NY	\$0	\$0	\$752
Deputy Secretary	1/3/2010	1/14/2010	Demonstration of U.S. Flight Screening at Schiphol Airport, Meeting with National Coordinator Counterterrorism (NCTB) and Dutch Aviation Agencies, Meeting with ICE Attache, Tour and Briefing at Heathrow Airport, Meeting with Home Office and Department for Transport, Meeting with Home Secretary Alan Johnson, Meeting with Secretary of State for Transport Lord Adonis, Meeting with EU Commission/ Directorate General for Justice, Freedom, and Security, Meeting with Belgian Ministry of Transport, Meeting with UAB Minister of Interior Lt. Gen. Sheikh Saif, Meeting with Singapore Senior Minister Jayakumar, Singapore Aviation Security Meeting, Changi Airport Security Tour, Meeting with Ministry of Transport Permanent Secretary Choi, Meeting with Australian Dept of Immigration and Citizenship, Tour and Briefing at Sydney Kingsford Smith Airport, Meeting with Minister of Transportation and National Security Advisor, Meeting with Nigerian Minister of Foreign Affairs Ojo Maduekwe, Meeting with the Director General of the Nigerian Civil Aviation Authority, Meeting with the	Amsterdam, Netherlands; London, UK; Brussels, Belgium; Jerusalem, Israel; Abu Dhabi, UAE; Singapore; Perth & Sydney, Australia; Seychelles; Abuja, Nigeria; Brasilia, Brazil	\$349,296	\$41,063	\$5,250

<u>Traveler</u>	<u>Start Date</u>	<u>End Date</u>	<u>Purpose of Travel</u>	<u>Destination</u>	<u>Gov't Aircraft Cost</u>	<u>State Dept. Fees</u>	<u>Misc. Travel Expenses (Communication & Transportation)</u>
			Nigerian Minister of Aviation Babatunde Omotoba, Meeting with Nigerian Vice President Goodluck Jonathan, Meeting at Brazilian Ministry of External Relations, Meeting at Brazilian Ministry of Defense, Meeting at Brazilian Ministry of Justice				
Deputy Secretary	1/17/2010	1/18/2010	Haiti earthquake event	New York, NY	\$0	\$0	\$296
Deputy Secretary	1/27/2010	1/27/2010	Meeting with Ambassador David Jacobson, Meeting with Public Safety Ministers, Meeting with Canadian National Security Advisor, Aviation Security Meeting	Ottawa, Canada	\$11,219	\$0	\$0
Deputy Secretary	2/23/2010	2/23/2010	Briefings at FLETC, Meeting on Advanced ICE & CBP Training, Remarks at National Fusion Center Conference	Brunswick, GA; New Orleans, LA	\$24,010	\$0	\$0
Deputy Secretary	5/20/2010	5/20/2010	Trip to Gulf Coast region to oversee efforts related to BP Oil Spill	Houma, LA; Mobil, AL	\$22,015	\$0	\$0
Deputy Secretary	6/17/2010	6/18/2010	Trip to Gulf Coast region to oversee efforts related to BP Oil Spill	New Orleans, LA; Mobil, AL	\$21,241	\$0	\$271
Deputy Secretary	6/28/2010	6/30/2010	Traveled to the Gulf Coast with Secretary Napolitano for Deepwater Horizon Response, also attended a Conference	New Orleans, LA; Aspen, CO	\$34,351	\$0	\$774
Deputy Secretary	7/22/2010	7/23/2010	Trip to Gulf Coast region to oversee efforts related to BP Oil Spill	Houston, TX	\$24,107	\$0	\$0
Deputy Secretary	7/27/2010	7/28/2010	Remarks at the Black Hat Cyber Security Convention	Las Vegas, NV	\$38,021	\$0	\$252
Deputy Secretary	9/21/2010	9/23/2010	Participation in the 14 th meeting of the Joint Contact Group (JCG)	London, UK	\$67,623	\$3,691	\$1,210
COS of Operations	10/13/2009	10/15/2009	Tour, Briefings, and Meetings at FLETC	Brunswick, GA	\$0	\$0	\$1,478
COS of Operations	12/13/2009	12/15/2009	Tour, Briefings, and Meetings at NORTHCOM	Colorado Springs, CO	\$0	\$0	\$833
COS of Operations	1/16/2010	1/16/2010	To Support the Secretary	Homestead, FL	\$0	\$0	\$0
COS of Policy	12/9/2009	12/10/2010	To Support the Secretary	Phoenix, AZ	\$0	\$0	\$0
COS of Policy	11/2/2009	11/9/2009	To Support the Secretary	Madrid, Spain; Copenhagen, Denmark; London, UK; Brussels, Belgium; Abu	\$0	\$0	\$2,759

<u>Traveler</u>	<u>Start Date</u>	<u>End Date</u>	<u>Purpose of Travel</u>	<u>Destination</u>	<u>Gov't Aircraft Cost</u>	<u>State Dept. Fees</u>	<u>Misc. Travel Expenses (Communication & Transportation)</u>
				Dhabi, UAE; Ireland; Ramstein, Germany			
COS of Policy	1/20/2010	1/23/2010	To Support the Secretary	Toledo, Spain; Geneva, Switzerland	\$0	\$0	\$1,223
COS of Policy	2/16/2010	2/18/2010	To Support the Secretary	Mexico City, Mexico	\$0	\$0	\$588
COS to the Secretary	3/10/2010	3/14/2010	To Support the Secretary	Honolulu, HI; Tokyo, Japan; Anchorage, AK	\$0	\$0	\$1,623
COS to the Secretary	4/15/2010	4/16/2010	To Support the Secretary	Boston, MA	\$0	\$0	\$397
COS to the Secretary	5/29/2010	6/2/2010	To Support the Secretary	Varese, Rome, Italy, Jeddah, Saudi Arabia; Abu Dhabi, UAE	\$0	\$0	\$1,327
COS to the Secretary	6/26/2010	6/28/2010	To Support the Secretary	New Orleans, LA	\$0	\$0	\$521
COS to the Secretary	7/10/2010	7/11/2010	To Support the Secretary	Boston, MA	\$0	\$0	\$450
COS to the Secretary	8/24/2010	8/26/2010	To Support the Secretary	Chicago, IL	\$0	\$0	\$459
COS to the Secretary	9/10/2010	9/11/2010	To Support the Secretary	New York, NY	\$0	\$0	\$464

Question: Please provide a table that shows all the funds expended by OSEM, USM, CIO and CFO political employees for travel in 2010. Include the name of each traveler, purpose of travel, location(s) visited, and total cost.

ANSWER: The below table shows all of the funds expended by OSEM, USM, CIO and CFO for Political Employee travel during Fiscal Year 2010 as reported in the official system of record.

There were several trips for staff members where the purpose states that members from the advance team advanced or accompanied either the Secretary or Deputy Secretary but there were no corresponding trips listed or expenditures reported for the Secretary or Deputy Secretary. In each of these cases, either the Secretary or Deputy Secretary traveled in a government vehicle (plane or car) whereby their trip duration did not warrant per diem, that trip was cancelled, portions of that trip were cancelled or the original principal made a last minute change. The costs associated with the Principals traveling on a government plane are addressed in another question.

Traveler	Purpose	Destination	Total Cost
Albert, Brian	Program/Site Visit	Key West, FL	\$1,370.21
Albert, Brian	Program/Site Visit	Jacksonville, FL	\$1,001.65
Alikhan, Arif	Conference	Santa Ana, CA & Tampa, FL	\$2,368.73
Alikhan, Arif	Conference	Los Angeles, CA & Honolulu, HI	\$5,094.55
Alikhan, Arif	Meeting on Emergency Management Cooperation	Ottawa, Canada	\$1,299.14
Alikhan, Arif	Program/Site Visit	Paris, France & Birmingham, England & London, England	\$7,016.10
Alikhan, Arif	Conference	Tel Aviv, Israel & Jerusalem, Israel	\$3,380.12
Alikhan, Arif	Program/Site Visit	New York, NY	\$1,058.41
Alikhan, Arif	Speech/Presentation	New York, NY	\$750.04
Alikhan, Arif	Speech/Presentation	San Francisco, CA & Monterey, CA (Canceled After Ticketing)	\$32.83
Alikhan, Arif	Speech/Presentation	New York, NY	\$715.58
Alikhan, Arif	Program/Site Visit	Chicago-O'Hare, IL	\$654.78
Alikhan, Arif	Conference	New Orleans, LA	\$1,413.82
Alikhan, Arif	Conference	London, England	\$3,988.79
Alikhan, Arif	Meeting with State and Local Law Enforcement	Minneapolis, MN	\$935.92
Alikhan, Arif	Program/Site Visit	Las Vegas, NV & Los Angeles, CA	\$2,799.08
Alikhan, Arif	Speech/Presentation	Los Angeles, CA & San Francisco, CA	\$775.71
Alikhan, Arif	Speech/Presentation	Philadelphia, PA	\$258.25
Alikhan, Arif	Program/Site Visit	New York City-All Borough, NY	\$855.22
Alikhan, Arif	National Preparedness Leadership Initiative	Boston, MA	\$647.20
Alikhan, Arif	Peace and Security Summit	New York, NY	\$1,200.05
Alikhan, Arif	CRCL Roundtable and Meeting with Local Law Enforcement	Los Angeles, CA & Santa Ana, CA	\$1,392.33
Alikhan, Arif	Program/Site Visit	Detroit, MI	\$772.58
Alikhan, Arif	Program/Site Visit	Colorado Springs, CO	\$1,203.15
Alikhan, Arif	Conference	Amsterdam, Netherlands & Hague	\$2,234.82

Traveler	Purpose	Destination	Total Cost
		Netherlands	
Anderson, Audrey	Training	Berryville, VA	\$164.17
Anderson, Audrey	Training	Berryville, VA	\$164.17
Anderson, Audrey	Conference	Charlottesville, VA	\$214.72
Anderson, Audrey	Conference	Charlottesville, VA	\$345.44
Anderson, Audrey	Conference	Charlottesville, VA	\$569.44
Anderson, Audrey	Program/Site Visit	Phoenix, AZ	\$1,049.90
Bernstein, Jarrod	Accompanying the Secretary	New York City-All Borough, NY	\$1,398.07
Bernstein, Jarrod	Program/Site Visit	New York City, NY	\$413.65
Bernstein, Jarrod	Program/Site Visit	Miami, FL	\$1,182.07
Bernstein, Jarrod	Accompanying the Secretary	New York, NY	\$413.80
Bernstein, Jarrod	Accompanying the Secretary	Miami, FL	\$1,495.48
Bernstein, Jarrod	Intergovernmental Coordination	Hammond, LA	\$2,043.39
Bernstein, Jarrod	Conference	New Orleans, LA	\$1,507.76
Bernstein, Jarrod	Program/Site Visit	Gulfport, MS & New Orleans, LA	\$1,888.84
Bernstein, Jarrod	Accompanying the Secretary	New York City-All Borough, NY	\$639.88
Bernstein, Jarrod	Conference	New York City, NY	\$361.62
Bernstein, Jarrod	Accompanying the Secretary	Chicago-O Hare lap Ars, IL	\$533.53
Bernstein, Jarrod	Accompanying the Secretary	New York City-All Borough, NY	\$553.91
Bersin, Alan	Program/Site Visit	Jacksonville, FL & Miami, FL & Phoenix, AZ	\$2,046.65
Bersin, Alan	Program/Site Visit	Buffalo, NY	\$976.56
Bersin, Alan	Speech/Presentation	Mexico City, Mexico	\$1,701.08
Bersin, Alan	Speech/Presentation	Houston, TX	\$1,070.61
Bersin, Alan	Speech/Presentation	New York City, NY	\$473.27
Bersin, Alan	Accompanying the Secretary	Mexico City, Mexico & Laredo, TX	\$2,891.42
Bersin, Alan	Program/Site Visit	Mexico City, Mexico & Veracruz, Mexico & San Diego, CA	\$1,996.42
Bersin, Alan	Conference	Mexico City, Mexico & Santiago, Chile & San Diego, CA	\$3,615.86
Bersin, Alan	Conference	Colorado Springs, CO & Tucson, AZ	\$324.98
Borras, Rafael	Program/Site Visit	Bluemont, VA	\$136.72
Borras, Rafael	Program/Site Visit	Los Angeles, CA & Tucson, AZ & San Diego, CA	\$1,702.85
Borras, Rafael	Program/Site Visit	New York City-All Borough, NY	\$1,151.52
Borras, Rafael	Program/Site Visit	New York City-All Borough, NY	\$584.05
Braun, Jacob	Conference	New York, NY	\$575.58
Braun, Jacob	Conference	Mexico City, Mexico & Phoenix, AZ	\$2,219.75
Braun, Jacob	Canceled After Ticketing	Monterrey, Mexico (Canceled After Ticketing)	\$20.06
Braun, Jacob	Meetings	Brussels, Belgium & Paris, France	\$2,654.95
Braun, Jacob	Support to Gulf Coast Oil Spill Efforts	New Orleans, LA	\$2,168.56
Braun, Jacob	Support to Gulf Coast Oil	New Orleans, LA	\$2,177.69

Traveler	Purpose	Destination	Total Cost
	Spill Efforts		
Braun, Jacob	Support to Gulf Coast Oil Spill Efforts	New Orleans, LA	\$2,198.68
Braun, Jacob	Support to Gulf Coast Oil Spill Efforts	Mobile, AL & New Orleans, LA	\$2,008.69
Braun, Jacob	Support to Gulf Coast Oil Spill Efforts	Charlotte, NC & Pensacola, FL & New Orleans, LA & Oak Ridge, TN	\$3,112.73
Braun, Jacob	Support to Gulf Coast Oil Spill Efforts	New Orleans, LA	\$1,225.78
Braun, Jacob	Support to Gulf Coast Oil Spill Efforts	New Orleans, LA	\$1,342.30
Braun, Jacob	Support to Gulf Coast Oil Spill Efforts	New Orleans, LA	\$1,017.38
Braun, Jacob	Program/Site Visit	New York, NY	\$323.75
Breighner, Jordan	Speech/Presentation	Boston, MA	\$436.92
Breighner, Jordan	Program/Site Visit	Seattle, We & Vancouver, Canada	\$1,150.66
Brent, Laura	Support to Gulf Coast Oil Spill Efforts	Robert, LA	\$1,959.16
Brent, Laura	Program/Site Visit	New Orleans, LA & Mobile, AL & Tallahassee, FL	\$1,460.77
Brown, Mary	Accompanying the Secretary	Chicago, IL	\$1,484.56
Bruggeman, Nathan	Program/Site Visit	El Paso, TX	\$826.50
Bruggeman, Nathan	Accompanying A/S Bersin and Taskforce Meeting	New York City, NY	\$503.16
Bruggeman, Nathan	Conference	Denver, CO	\$636.65
Bruggeman, Nathan	Conference	Phoenix, AZ	\$1,629.43
Bruggeman, Nathan	Program/Site Visit	El Paso, TX	\$582.70
Bruggeman, Nathan	Program/Site Visit	El Paso, TX	\$998.63
Callahan, Mary Ellen	Workshop	Brussels, Belgium & Nice, France	\$988.59
Callahan, Mary Ellen	Conference	Madrid, Spain & London, England & Brussels, Belgium	\$4,355.98
Callahan, Mary Ellen	Meet with Canadian Government Officials	Ottawa, Canada	\$2,005.92
Callahan, Mary Ellen	Program/Site Visit	Kansas City, Mo (Canceled After Ticketing)	\$10.03
Callahan, Mary Ellen	Conference	New Orleans, LA	\$839.88
Callahan, Mary Ellen	Speech and Press Opportunities	Brussels, Belgium & Strasbourg, France & Amsterdam, Netherlands & Hague, Netherland & Berlin, Germany	\$4,841.04
Callahan, Mary Ellen	Speech/Presentation	New York City-All Borough, NY	\$692.18
Callahan, Mary Ellen	Privacy Discussions	Warsaw, Poland & Budapest, Hungary & Puerto Rico & Prague, Czech Republic & Los Angeles, CA	\$4,309.92
Callahan, Mary Ellen	Speech/Presentation	Brussels, Belgium	\$3,865.41
Casey, Kinsey	Program/Site Visit	Mexico City, Mexico	\$2,076.55

Traveler	Purpose	Destination	Total Cost
Casey, Kinsey	Program/Site Visit	Madrid, Spain & London, England & Abu Dhabi, UAE & Dubai, UAE	\$19,256.44
Casey, Kinsey	Advancing the Secretary	Mil Bases In Kabul, Afghanistan	\$5,305.91
Casey, Kinsey	Advancing Deputy Secretary	Abuja, Nigeria & Frankfurt Am Main, Germany	\$5,636.36
Casey, Kinsey	Accompanying the Secretary	Miami, FL	\$1,727.97
Casey, Kinsey	Advancing the Secretary	New York, NY	\$673.05
Casey, Kinsey	Advancing the Secretary	Tokyo City, Japan	\$5,162.22
Casey, Kinsey	Advancing the Secretary	Abuja, Nigeria	\$3,705.77
Casey, Kinsey	Advancing the Secretary	Oklahoma City, OK	\$834.72
Casey, Kinsey	Advancing the Secretary	Gulfport, MS	\$827.28
Casey, Kinsey	Advancing the Secretary	Nashville, TN	\$853.02
Casey, Kinsey	Advancing the Secretary	Kabul, Afghanistan & Washington D.C. & Ontario, Canada	\$1,120.56
Casey, Kinsey	Advancing the Secretary	Jeddah, Saudi Arabia	\$88.16
Casey, Kinsey	Advancing the Secretary	Jeddah, Saudi Arabia	\$6,335.62
Casey, Kinsey	Advancing the Secretary	Atlantic City, NJ	\$95.11
Casey, Kinsey	Advancing the Secretary	New York City-All Borough, NY	\$920.29
Casey, Kinsey	Advancing the Secretary	Charleston, WV	\$1,189.80
Casey, Kinsey	Advancing the Secretary	Baltimore, MD	\$22.72
Casey, Kinsey	Advancing the Secretary	Los Angeles, CA & Ontario, CA	\$685.92
Casey, Kinsey	Advancing the Secretary	Baltimore, MD	\$22.22
Casey, Kinsey	Advancing the Secretary	Camden, ME & New York, NY	\$1,416.08
Casey, Kinsey	Advancing the Secretary	Gulfport, MS	\$1,101.80
Casey, Kinsey	Advancing the Secretary	Great Falls, MT	\$2,988.75
Casey, Kinsey	Advancing the Secretary	Gulfport, MS	\$787.79
Casey, Kinsey	Advancing the Secretary	Barcelona, Spain & Krakow, Poland	\$4,253.94
Casey, Kinsey	Advancing the Secretary	Boston, MA	\$633.53
Chandler, Matthew	Operational Planning Meeting	Austin, TX	\$1,055.20
Chandler, Matthew	Accompanying the Secretary	Miami, FL	\$60.22
Chandler, Matthew	Accompanying CBP Leadership	Tucson, AZ	\$828.78
Chandler, Matthew	Accompanying the Secretary	Mexico City, Mexico	\$1,209.12
Chandler, Matthew	Conference	Mexico City, Mexico	\$1,574.00
Chandler, Matthew	Accompanying the Secretary	Oklahoma City, OK	\$60.22
Chandler, Matthew	Accompanying the Secretary	Grand Forks, ND & Albuquerque, NM & Ontario, CA	\$185.95
Chandler, Matthew	Training	Winchester, VA	\$110.72
Chandler, Matthew	Accompanying the Secretary	Kansas City, Mo	\$52.72
Chandler, Matthew	Accompanying the Secretary	Denver, CO & Albuquerque, NM	\$759.97
Chandler, Matthew	Accompanying the Secretary	Laredo, TX & Albuquerque, NM & Denver, CO	\$540.98
Chandler, Matthew	Accompanying the Secretary	Great Falls, MT & Chicago, IL	\$453.01
Chandler, Matthew	Accompanying the Secretary	Dallas, TX	\$251.77
Chuang, Theodore	New Orleans Oil Spill Response	New Orleans, LA	\$906.70

Traveler	Purpose	Destination	Total Cost
Chuang, Theodore	Training	Charlottesville, VA	\$1,274.72
Chuang, Theodore	Training	Charlottesville, VA	\$1,240.32
Contreras, January	Speech/Presentation	Seattle, WA	\$1,970.87
Contreras, January	Program/Site Visit	New York, NY	\$359.00
Contreras, January	Seminars	New York, NY	\$929.44
Contreras, January	Speech/Presentation	Chicago, IL	\$1,126.84
Contreras, January	Meet with Stakeholders	New York, NY	\$379.57
Contreras, January	Conference	New Orleans, LA	\$1,090.61
Contreras, January	Program/Site Visit	Los Angeles, CA & San Francisco, CA	\$1,262.98
Contreras, January	Speech/Presentation	New Orleans, LA	\$1,000.12
Contreras, January	Program/Site Visit	Phoenix, AZ	\$1,620.77
Cooper, Tarrah	Accompanying the Secretary	Dallas, TX	\$1,318.01
De Vallance, Brian	Accompanying the Secretary	New York City-All Borough, NY	\$908.18
De Vallance, Brian	Conference	Boston, MA	\$493.46
De Vallance, Brian	Accompanying Deputy Secretary	New Orleans, LA	\$285.51
De Vallance, Brian	Accompanying Deputy Secretary	New Orleans, LA & Aspen, CO, & Colorado Springs, CO	\$862.69
De Vallance, Brian	Accompanying Deputy Secretary	Houston, TX	\$279.28
De Vallance, Brian	Accompanying Deputy Secretary	Las Vegas, NV	\$263.30
De Vallance, Brian	Accompanying Deputy Secretary	London, England	\$1,295.85
Del Monico, Timothy	Speech/Presentation	Dallas, TX	\$855.23
Del Monico, Timothy	Support Gulf Coast Oil Spill Efforts	New Orleans, LA	\$4,107.15
Del Monico, Timothy	Support Gulf Coast Oil Spill Efforts	New Orleans, LA & Milton, FL	\$3,285.67
Del Monico, Timothy	Support Gulf Coast Oil Spill Efforts	New Orleans, LA	\$1,739.82
Del Monico, Timothy	Support Gulf Coast Oil Spill Efforts	New Orleans, LA	\$1,308.58
Dietch, Sarah	Program/Site Visit	McAllen, TX	\$1,652.05
Dietch, Sarah	Support Gulf Coast Oil Spill Efforts	New Orleans, LA	\$2,646.87
Fetcher, Adam	Advancing the Secretary	Miami, FL	\$1,992.93
Fetcher, Adam	Advancing the Secretary	Boston, MA	\$1,490.37
Fong, Ivan	Program/Site Visit	Boston, MA	\$798.95
Fong, Ivan	Program/Site Visit	Philadelphia, PA	\$262.89
Fong, Ivan	Program/Site Visit	Boston, MA	\$1,483.28
Fong, Ivan	Program/Site Visit	Colorado Springs, CO	\$859.59
Fong, Ivan	Conference	Columbus, OH	\$677.15
Fong, Ivan	Training	Berryville, VA	\$79.97
Fong, Ivan	Training	Berryville, VA	\$79.47
Fong, Ivan	Program/Site Visit	Brunswick, GA & New York City-All Borough, NY	\$1,171.50

Traveler	Purpose	Destination	Total Cost
Fong, Ivan	Program/Site Visit	El Paso, TX & San Antonio, TX & Tucson, AZ & Phoenix, AZ & Columbus, Oh	\$1,991.92
Fong, Ivan	Program/Site Visit	El Paso, TX & San Antonio, TX & Tucson, AZ & Phoenix, AZ & Columbus, OH	\$123.82
Fong, Ivan	Program/Site Visit	Stamford, CT & New York City-All Borough, NY	\$754.35
Garrett, William	Conference	Tampa, FL (Canceled After Ticketing)	\$10.03
Garrett, William	Program/Site Visit	Mexico City, Mexico & El Paso, TX	\$2,790.67
Garrett, William	Conference	Las Vegas, NV	\$937.75
Garrett, William	Speech/Presentation	Mexico City, Mexico	\$1,724.02
Gordon, Andrew	Program/Site Visit	Midland, TX & Phoenix, AZ & Colorado Springs, CO	\$644.84
Gordon, Andrew	Program/Site Visit	Midland, TX & Phoenix, AZ & Colorado Springs, CO	\$1,887.32
Gordon, Andrew	Program/Site Visit	Phoenix, AZ	\$1,876.04
Gordon, Andrew	Training	Berryville, VA	\$77.72
Gordon, Andrew	Program/Site Visit	Brunswick, GA	\$1,064.55
Gordon, Andrew	Program/Site Visit	El Paso, TX & San Antonio, TX & Phoenix, AZ	\$2,177.86
Gordon, Andrew	Conference	Denver, CO	\$1,458.44
Gordon, Andrew	Program/Site Visit	Phoenix, AZ	\$1,720.06
Grant, Daniel	Program/Site Visit	Philadelphia, PA	\$262.68
Greene, Kathryn	Program/Site Visit	Hartford, CT	\$1,390.90
Greene, Kathryn	Program/Site Visit	Providence, RI (Canceled After Ticketing)	\$10.03
Greene, Kathryn	Conference	Boston, MA	\$1,231.40
Hannah, Tracy	Speech/Presentation	Salt Lake City, UT	\$1,000.02
Hannah, Tracy	Speech/Presentation	New York, NY	\$328.75
Hannah, Tracy	Speech/Presentation	Ord, IL	\$778.35
Hannah, Tracy	Speech/Presentation	Seattle, WA	\$1,478.96
Hannah, Tracy	Speech/Presentation	Atlanta, GA	\$976.99
Hannah, Tracy	Speech/Presentation	Philadelphia, PA	\$343.22
Hannah, Tracy	Program/Site Visit	New York City-All Borough, NY (Canceled After Ticketing)	\$32.83
Hannah, Tracy	Speech/Presentation	New Orleans, LA	\$1,981.36
Harper, Daniel	Program/Site Visit	Bluemont, VA	\$133.72
Hartman, Katrina	Advance the Secretary	New York City-All Borough, NY	\$668.24
Hartman, Katrina	Advancing the Secretary	Vancouver, Canada	\$1,983.38
Hartman, Katrina	Advancing the Secretary	Boston, MA	\$669.24
Hartman, Katrina	Advancing the Secretary	Lansing, WV	\$510.19
Hartman, Katrina	Advancing the Secretary	Montreal, Canada	\$2,924.86
Helmrick-Blossom, Kellyn	Support Gulf Coast Oil Spill Efforts	Hammond, LA	\$1,597.89
Helmrick-Blossom, Kellyn	Congressional Field Hearing in New Orleans.	New Orleans, LA	\$1,239.25

Traveler	Purpose	Destination	Total Cost
Helmrick-Blossom, Kellyn	Conference	Birmingham, AL	\$1,021.45
Helmrick-Blossom, Kellyn	Speech/Presentation	Kansas City, MO	\$827.13
Heyman, David	Conference	Ottawa, Canada	\$1,576.94
Heyman, David	Accompanying Deputy Secretary	Amsterdam, the Netherlands & London, England & Tel Aviv, Israel & Abu Dhabi, UAE & Singapore & Sydney, Australia & Perth, Australia & Seychelles & Abuja, Nigeria & Brasilia, Brazil	\$4,841.59
Heyman, David	Conference	New York, NY	\$429.97
Heyman, David	Meetings with the Government of Syria	Damascus, Syria	\$6,055.64
Heyman, David	Conference	Montreal, Canada	\$1,774.76
Heyman, David	Accompanying the Secretary	Madrid, Spain & London, England & Los Angeles, CA & Colorado Springs, CO	\$3,844.95
Heyman, David	Accompanying the Secretary	Milan, Italy & Berlin, Germany & Brussels, Belgium & Paris, France	\$4,937.19
Heyman, David	Conference	London, England	\$3,933.29
Heyman, David	Meetings with the Government of Canada	Ottawa, Canada	\$3,481.87
Heyman, David	Accompanying the Secretary	Ottawa, Canada & Krakow, Poland, & Stockholm, Switzerland	\$4,408.63
Heyman, David	Accompanying Deputy Secretary	London, England & Paris, France	\$2,879.54
Hill, Alice	Program/Site Visit	Colorado Springs, CO (Canceled After Ticketing)	\$10.03
Hill, Alice	Program/Site Visit	Brunswick, GA	\$1,475.71
Hill, Alice	Program/Site Visit	Colorado Springs, CO	\$815.91
Hill, Alice	Other	Los Angeles, CA	\$1,183.88
Hill, Alice	Program/Site Visit	Los Angeles, CA (Canceled After Ticketing)	\$32.83
Hill, Alice	Program/Site Visit	San Diego, CA	\$1,363.31
Hill, Alice	Conference	Madrid, Spain	\$2,763.35
Hill, Alice	Conference	San Francisco, CA	\$571.48
Hill, Alice	Conference	Boston, MA	\$654.65
Hill, Alice	Program/Site Visit	Baltimore, MD	\$85.25
Hill, Alice	Program/Site Visit	Chicago, IL	\$834.56
Hill, Alice	Conference	Mexico City, Mexico & Tapachula, Mexico (Canceled After Ticketing)	\$10.03
Hill, Alice	Speech/Presentation	Colorado Springs, CO	\$205.99
Hill, Alice	Conference	Fort Lauderdale, FL	\$627.65
Hill, Alice	Accompanying Deputy Secretary	Las Vegas, NV	\$270.30
Hill, Alice	Program/Site Visit	Prudhoe Bay, AK	\$651.22
Hill, Alice	Conference	Providence, RI	\$2,043.39
Himmel, Chloe	Conference	Laredo, TX & El Paso, TX	\$1,393.30

Traveler	Purpose	Destination	Total Cost
Himmel, Chloe	Conference	San Diego, CA	\$858.76
Himmel, Chloe	Support Gulf Coast Oil Spill Efforts	New Orleans, LA	\$1,430.46
Himmel, Chloe	Support Gulf Coast Oil Spill Efforts	New Orleans, LA	\$4,229.75
Himmel, Chloe	Support Gulf Coast Oil Spill Efforts	New Orleans, LA & Mobile, AL	\$2,123.99
Himmel, Chloe	Canceled after ticketing.	Mobile, AL (Canceled After Ticketing)	\$42.86
Holl Lute, Jane	Program/Site Visit	Mexico City, Mexico	\$387.63
Holl Lute, Jane	Program/Site Visit	New York, NY	\$751.83
Holl Lute, Jane	Program/Site Visit	Amsterdam, the Netherlands & London, England & Tel Aviv, Israel & Abu Dhabi, UAE & Singapore & Sydney, Australia & Perth, Australia & Seychelles & Abuja, Nigeria & Brasilia, Brazil	\$5,250.29
Holl Lute, Jane	International Operations	Newark, NJ	\$295.72
Holl Lute, Jane	Meeting at the United Nations	New York, NY	\$692.55
Holl Lute, Jane	Conference	New Orleans, LA & Aspen, CO & Colorado Springs, CO	\$861.35
Holl Lute, Jane	Support Gulf Coast Oil Spill Efforts	New Orleans, LA	\$270.51
Holl Lute, Jane	Program/Site Visit	Houston, TX	\$265.23
Holl Lute, Jane	Speech/Presentation	Las Vegas, NV	\$239.30
Holl Lute, Jane	Conference	London, England	\$1,220.72
Houser, Jason	Support Gulf Coast Oil Spill Efforts	New Orleans, LA	\$94.75
Houser, Jason	Support Gulf Coast Oil Spill Efforts	New Orleans, LA	\$2,635.97
Houser, Jason	Canceled after ticketing.	New Orleans, LA	\$20.06
Houser, Jason	Support Gulf Coast Oil Spill Efforts	New Orleans, LA	\$1,003.21
Kayyem, Juliette	Speech/Presentation	Boston, MA	\$314.92
Kayyem, Juliette	Conference	Wichita, Ks	\$449.71
Kayyem, Juliette	Conference	Tampa, FL	\$892.65
Kayyem, Juliette	Speech/Presentation	Detroit, MI	\$454.15
Kayyem, Juliette	Speech/Presentation	Jacksonville, FL & New York City-All Borough, NY	\$1,434.75
Kayyem, Juliette	Conference	San Juan & Nav Res Sta, Puerto Rico	\$753.95
Kayyem, Juliette	Conference	Seattle, We & Vancouver, Canada	\$1,320.78
Kayyem, Juliette	Conference	New Orleans, LA & Boston, MA	\$1,905.65
Kayyem, Juliette	Accompanying the Secretary	Washington, DC	\$378.70
Kayyem, Juliette	Support Gulf Coast Oil Spill Efforts	Hammond, LA	\$1,012.11
Kayyem, Juliette	Canceled after ticketing	New Orleans, LA (Canceled After Ticketing)	\$32.83
Kayyem, Juliette	Accompanying Deputy	New Orleans, LA	\$644.14

Traveler	Purpose	Destination	Total Cost
	Secretary		
Kayyem, Juliette	Conference	New Orleans, LA & Mobile, AL	\$1,219.97
Kayyem, Juliette	Conference	Boston, MA	\$1,305.22
Kayyem, Juliette	Accompanying Deputy Secretary	New Orleans, LA	\$770.70
Kayyem, Juliette	Program/Site Visit	New Orleans, LA	\$732.70
Kayyem, Juliette	Conference	San Francisco, CA	\$805.31
Kayyem, Juliette	Program/Site Visit	New Orleans, LA	\$807.70
Kayyem, Juliette	Program/Site Visit	New Orleans, LA	\$1,177.36
Kayyem, Juliette	Speech/Presentation	Kansas City, Mo & Boston, MA	\$1,004.55
Kelly, Lauren	Advancing the Secretary	Detroit, MI	\$950.23
Kelly, Lauren	Advancing the Secretary	Houston, TX & Mexico City, Mexico	\$1,263.05
Kelly, Lauren	Advancing the Secretary	Charlottesville, VA	\$328.25
Kelly, Lauren	Advancing the Secretary	Milan, Italy	\$3,505.31
Kim, Leezie	Program/Site Visit	Colorado Springs, CO	\$1,107.92
Kim, Leezie	Conference	Charlottesville, VA	\$375.92
Kim, Leezie	Training	Berryville, VA	\$87.02
Kim, Leezie	Training	Berryville, VA	\$87.02
Kim, Leezie	Program/Site Visit	Phoenix, AZ	\$1,713.89
Kroloff, Noah	Accompanying the Secretary	Copenhagen, Denmark & Madrid, Spain & London, England & Brussels, Belgium & Abu Dhabi, UAE & Shannon, Ireland	\$2,759.47
Kroloff, Noah	Accompanying the Secretary	Madrid, Spain & Geneva, Switzerland	\$1,222.72
Kroloff, Noah	Accompanying the Secretary	San Antonio, TX & Mexico City, Mexico	\$588.22
Kroloff, Noah	Accompanying the Secretary	Tokyo City, Japan	\$1,623.43
Kroloff, Noah	Accompanying the Secretary	Boston, MA	\$397.22
Kroloff, Noah	Accompanying the Secretary	Abu Dhabi, UAE & Jeddah, Saudi Arabia	\$1,337.47
Kroloff, Noah	Accompanying the Secretary	Boston, MA	\$622.89
Kroloff, Noah	Accompanying the Secretary	New Orleans, LA	\$856.53
Kroloff, Noah	Accompanying the Secretary	Great Falls, MT & Chicago, IL	\$459.17
Kroloff, Noah	Accompanying the Secretary	New York City-All Borough, NY	\$463.83
Kuban, Sara	Accompanying the Deputy Secretary Lute	Mexico City, Mexico	\$392.55
Kuban, Sara	Training	Winchester, VA	\$245.72
Larossa, Connie	Program/Site Visit	El Paso, TX & Phoenix, AZ & Los Angeles, CA	\$1,295.36
Martin, David	Program/Site Visit	Havana, Cuba	\$245.22
Martin, David	Conference	Raleigh, NC	\$419.65
Martin, David	Program/Site Visit	Fort Lauderdale, FL	\$936.56
Martin, David	Training	Berryville, VA	\$88.02
Martin, David	Program/Site Visit	Phoenix, AZ	\$1,326.78
Mccullough, Victoria	Support Gulf Coast Oil Spill Efforts	New Orleans, LA	\$14,444.45

Traveler	Purpose	Destination	Total Cost
Mccullough, Victoria	Support Gulf Coast Oil Spill Efforts	New Orleans, LA	\$4,818.95
Mccullough, Victoria	Support Gulf Coast Oil Spill Efforts	New Orleans, LA	\$5,813.71
Mccullough, Victoria	Support Gulf Coast Oil Spill Efforts	Baton Rouge, LA & Tampa, FL & Mobile, AL & New Orleans, LA	\$4,310.38
McGaw, Bridger	Public Service Summit	Stockholm, Sweden	\$3,211.99
McGaw, Bridger	Speech/Presentation	New York City-All Borough, NY	\$768.46
McGaw, Bridger	Conference and Meetings	Seattle, WA	\$1,597.99
McGaw, Bridger	Program/Site Visit	Los Angeles, CA	\$712.45
McGaw, Bridger	Program/Site Visit	New York, NY	\$567.46
McGaw, Bridger	Accompanying the Secretary	Boston, MA	\$951.01
McGaw, Bridger	Program/Site Visit	Minneapolis, MN	\$1,227.60
McGaw, Bridger	Speech/Presentation	Chicago, IL	\$643.15
McGaw, Bridger	Program/Site Visit	San Francisco, CA	\$1,073.05
McGaw, Bridger	Speech/Presentation	Emmitsburg, MD	\$140.72
McGaw, Bridger	Program/Site Visit	Boston, MA	\$832.77
McGaw, Bridger	Conference	New Orleans, LA	\$925.04
McGaw, Bridger	Speech/Presentation	San Diego, CA	\$1,065.29
McGaw, Bridger	Speech/Presentation	Los Angeles, CA	\$1,407.37
McNamara, Philip	Program/Site Visit	Jekyll Island, GA	\$895.20
McNamara, Philip	Program/Site Visit	Boston, MA	\$437.68
McNamara, Philip	Program/Site Visit	Tucson, AZ & Phoenix, AZ	\$939.30
McNamara, Philip	Speech/Presentation	Charleston, SC	\$1,044.81
Michaelidis, Gregory	Accompanying the Secretary	New York, NY	\$547.15
Michaelidis, Gregory		No Destination Recorded (Canceled After Ticketing)	\$32.83
Michaelidis, Gregory	Program/Site Visit	London, England & Belfast, England	\$2,906.52
Michaelidis, Gregory	Conference	New York City-All Borough, NY	\$692.23
Michaelidis, Gregory	Training	Winchester, VA	\$52.34
Morse, Kelli	Advancing the Secretary	San Jose, CA	\$1,659.79
Morse, Kelli	Advancing the Secretary	London, England	\$4,440.83
Morse, Kelli	Advancing the Secretary	Doha, Qatar & Kabul, Afghanistan & Dubai, UAE	\$6,337.18
Morse, Kelli	Advancing the Secretary	Los Angeles, CA & Sydney, Australia & San Francisco, CA	\$3,659.52
Morse, Kelli	Advancing the Secretary	Geneva, Switzerland	\$5,144.63
Morse, Kelli	Advancing the Secretary	Miami, FL & Fort Lauderdale, FL	\$1,562.79
Morse, Kelli	Advancing the Secretary	Vancouver, Canada	\$1,715.18
Morse, Kelli	Advancing the Secretary	Mexico City, Mexico	\$3,070.65
Morse, Kelli	Advancing the Secretary	Madrid, Spain	\$4,720.31
Morse, Kelli	Advancing the Secretary	Grand Forks, ND	\$2,375.30
Morse, Kelli	Advancing the Secretary	Pensacola, FL	\$1,317.52
Napolitano, Janet	Official Business	Santa Clara, CA	\$317.07

Traveler	Purpose	Destination	Total Cost
Napolitano, Janet	Official Business	Copenhagen, Denmark & Madrid, Spain & London, England & Brussels, Belgium & Abu Dhabi, UAE	\$1,797.01
Napolitano, Janet	Official Business	Manhattan, NY	\$1,197.26
Napolitano, Janet	Official Business	Phoenix, AZ	\$51.22
Napolitano, Janet	Official Business	Miami, FL	\$60.22
Napolitano, Janet	Official Business	Geneva, Switzerland	\$1,182.62
Napolitano, Janet	Official Business	New York City, NY	\$323.05
Napolitano, Janet	Official Business	Mexico City, Mexico	\$675.60
Napolitano, Janet	Official Business	Vancouver, Canada & San Diego, CA	\$183.72
Napolitano, Janet	Official Business	Tokyo City, Japan	\$855.72
Napolitano, Janet	Official Business	Phoenix, AZ & Albuquerque, NM	\$722.14
Napolitano, Janet	Official Business	Madrid, Spain & Abuja, Nigeria & Charlottesville, VA	\$1,111.29
Napolitano, Janet	Official Business	Boston, MA	\$437.68
Napolitano, Janet	Official Business	Albuquerque, NM	\$57.72
Napolitano, Janet	Official Business	Jeddah, Saudi Arabia & Abu Dhabi, UAE	\$1,171.86
Napolitano, Janet	Official Business	Manhattan, NY & Philadelphia, PA	\$624.46
Napolitano, Janet	Official Business	Chicago, IL	\$430.36
Napolitano, Janet	Official Business	New York, NY	\$427.83
Napolitano, Janet	Official Business	Dallas, TX	\$198.22
Napolitano, Janet	Official Business	Montreal, Canada	\$727.58
Neal, Jeffrey	Program/Site Visit	Berryville, VA	\$123.72
Neal, Jeffrey	Training	St. Michaels, MD	\$211.43
Nye, Lindsey	Conference	Minneapolis, MN	\$1,203.71
Nye, Lindsey	Conference	Los Angeles, CA	\$1,988.20
Nye, Lindsey	Conference	London, England	\$3,744.33
O'Connor, Kimberly	Transportation to Meeting	Miami, FL	\$40.72
O'Connor, Kimberly	Meeting	Colorado Springs, CO	\$901.62
O'Connor, Kimberly	Program/Site Visit	Tucson, AZ	\$987.15
O'Connor, Kimberly	Continuity of Operations Events	Bluemont, VA	\$236.52
O'Connor, Kimberly	Program/Site Visit	Grantville, PA	\$197.11
O'Connor, Kimberly	Program/Site Visit	Miami, FL & Nassau, Bahamas & Key West, FL	\$3,289.49
Olavarria, Esther	Conference	Indianapolis, IN (Canceled After Ticketing)	\$32.83
Olavarria, Esther	Speech/Presentation	San Diego, CA & Tijuana, Mexico	\$1,741.87
Olavarria, Esther	Speech/Presentation	New Haven, CT	\$262.72
Olavarria, Esther	Conference	Dallas, TX & Mexico City, Mexico & Tapachula, Mexico	\$1,745.03
Olavarria, Esther	Program/Site Visit	Chicago, IL	\$677.65
Olavarria, Esther	Roundtable Meetings	Washington, DC	\$1,275.76
Ortman, Christopher	Support Gulf Coast Oil Spill	New Orleans, LA	\$3,699.57

Traveler	Purpose	Destination	Total Cost
	Efforts		
Pacheco, Bryan	Working Group Meetings.	Laredo, TX	\$1,350.90
Pacheco, Bryan	Conference	Mexico City, Mexico & Veracruz, Mexico	\$2,519.21
Page, Abigail	Advance the Secretary	Denver, CO	\$1,481.07
Page, Abigail	Advance the Secretary.	New Orleans, LA	\$1,566.04
Page, Abigail	Advance the Secretary.	Brussels, Belgium & Abu Dhabi, UAE	\$3,439.66
Page, Abigail	Advance the Secretary.	New York City-All Borough, NY	\$2,629.72
Page, Abigail	Advance the Secretary.	Phoenix, AZ	\$1,201.59
Page, Abigail	Advancing the Deputy Secretary	Tel Aviv, Israel & Jerusalem, Israel	\$4,271.35
Page, Abigail	Advancing the Secretary	Other, Spain & Madrid, Spain	\$3,623.96
Page, Abigail	Advancing the Secretary	Houston, TX & Mexico City, Mexico	\$3,254.12
Page, Abigail	Advancing the Secretary	Phoenix, AZ	\$1,448.86
Page, Abigail	Advancing the Secretary	Shannon, Ireland	\$3,588.85
Page, Abigail	Advancing the Secretary	New Orleans, LA & Hammond, LA	\$1,210.84
Page, Abigail	Advancing the Secretary	Mobile, AL	\$653.35
Page, Abigail	Advancing the Secretary	Abu Dhabi, UAE	\$5,147.04
Page, Abigail	Advancing the Secretary	Galliano, LA	\$493.50
Page, Abigail	Advancing the Secretary	Denver, CO & New Orleans, LA	\$2,513.35
Page, Abigail	Advancing the Secretary	Philadelphia, PA	\$571.81
Page, Abigail	Advancing the Secretary	Laredo, TX	\$1,184.15
Page, Abigail	Advancing the Secretary	Appleton, WI	\$1,055.53
Page, Abigail	Advancing the Secretary	New Orleans, LA	\$1,006.31
Page, Abigail	Advancing the Secretary	Nashville, TN	\$1,122.40
Page, Abigail	Advancing the Secretary	Great Falls, MT	\$3,013.65
Page, Abigail	Advancing the Secretary	London, England	\$5,211.14
Page, Abigail	Advancing the Secretary	New York City-All Borough, NY	\$1,465.68
Parker, Jalynda	Conference	New Orleans, LA	\$1,738.72
Parker, Jalynda	Training	Minneapolis, MN	\$1,512.39
Peacock, Nelson	Program/Site Visit	New Orleans, LA & Key West FL & San Juan, Puerto Rico	\$803.42
Peacock, Nelson	Accompanying the Secretary	Great Falls, MT & Chicago, IL	\$517.57
Pressman, David	Conference	Mexico City, Mexico	\$435.66
Pressman, David	Accompanying Deputy Secretary	Riyadh, Saudi Arabia	\$7,153.51
Pressman, David	Program/Site Visit	Amsterdam, the Netherlands & London, England & Tel Aviv, Israel & Abu Dhabi, UAE & Singapore & Sydney, Australia & Perth, Australia & Seychelles & Abuja, Nigeria & Brasilia, Brazil	\$4,740.97
Pressman, David	Accompanying Deputy Secretary	Washington, DC	\$240.32
Pressman, David	Conference	New York, NY	\$1,101.64
Ramanathan, Sue	Cancelled trip	Mobile, AL & New Orleans, LA	\$1,243.56

Traveler	Purpose	Destination	Total Cost
Rohrbaugh, Benjamin	Conference	New York City-All Borough, NY	\$873.21
Rohrbaugh, Benjamin	Conference	Charleston, SC	\$981.78
Rohrbaugh, Benjamin	Conference	San Diego, CA	\$1,530.21
Rohrbaugh, Benjamin	Conference	Houston, TX	\$1,524.90
Saad, Fayrouz	Conference	New York City-All Borough, NY	\$747.61
Saad, Fayrouz	Conference	Detroit, MI	\$908.95
Saad, Fayrouz	Roundtable Meeting/Site Visit	Detroit, MI	\$719.40
Sandweg, John	Program/Site Visit	Tucson, AZ	\$1,817.85
Sandweg, John	Program/Site Visit	New Orleans, LA	\$1,657.40
Sandweg, John	Accompanying the Secretary	Laredo, TX	\$729.45
Sandweg, John	Program/Site Visit	Phoenix, AZ	\$1,715.65
Sandweg, John	Program/Site Visit	Albuquerque, NM	\$1,074.91
Sandweg, John	Program/Site Visit	D.F. Mexico, Mexico & Phoenix, AZ	\$1,798.02
Sandweg, John	Program/Site Visit	Phnom Penh, Cambodia & Bangkok, Thailand & Hong Kong	\$6,502.37
Scarborough, Tori	Advancing the Secretary	New York City-All Borough, NY	\$1,689.24
Scarborough, Tori	Advancing the Secretary	Copenhagen, Denmark	\$5,216.47
Scarborough, Tori	Advancing the Secretary	Jerusalem, Israel	\$4,112.75
Scarborough, Tori	Advancing the Dep Secretary	Abu Dhabi, UAE	\$8,932.61
Scarborough, Tori	Advancing the Dep Secretary	Ottawa, Canada	\$4,855.71
Scarborough, Tori	Advancing the Secretary	San Antonio, TX	\$582.52
Scarborough, Tori	Advancing the Dep Secretary	New Orleans, LA	\$988.07
Scarborough, Tori	Advancing the Secretary	Brunswick, GA	\$1,458.31
Scarborough, Tori	Advancing the Secretary	Providence, RI	\$753.31
Scarborough, Tori	Advancing the Secretary	Boston, MA	\$1,491.01
Schlanger, Margo	Roundtable Discussion	Chicago, IL	\$710.91
Schlanger, Margo	Program/Site Visit	New York City-All Borough, NY	\$601.55
Schlanger, Margo	Conference	Detroit, MI	\$784.15
Schlanger, Margo	Speech/Presentation	Chicago, IL	\$1,775.14
Schlanger, Margo	Conference	Windsor Locks, CT	\$1,235.92
Schlanger, Margo	Program/Site Visit	Brunswick, GA	\$942.78
Schlanger, Margo	Conference	Los Angeles, CA	\$1,087.35
Schlanger, Margo	Program/Site Visit	Los Angeles, CA	\$935.95
Schlanger, Margo	Community Engagement	Detroit, MI	\$651.07
Schlanger, Margo	Program/Site Visit	New York, NY	\$791.70
Schlanger, Margo	Program/Site Visit	Atlanta, GA	\$913.07
Schlanger, Margo	Program/Site Visit	Detroit, MI	\$534.15
Shlossman, Amy	Accompanying the Secretary	New Orleans, LA & Santa Clara, CA & Los Angeles, CA	\$1,643.02
Shlossman, Amy	Accompanying the Secretary	New York City-All Borough, NY	\$1,156.84
Shlossman, Amy	Program/Site Visit	Phnom Penh, Cambodia & Bangkok, Thailand & Hong Kong	\$6,738.79
Shlossman, Amy	Accompanying the Secretary	Madrid, Spain & Barcelona, Spain & Abuja, Nigeria	\$1,193.65
Shlossman, Amy	Accompanying the Secretary	Houma, LA & Robert, LA	\$10.72
Shlossman, Amy	Accompanying the Secretary	Biloxi, MS & Pensacola, FL	\$10.72

Traveler	Purpose	Destination	Total Cost
Shlossman, Amy	Accompanying the Secretary	Nashville, TN	\$10.72
Shlossman, Amy	Accompanying the Secretary	Mobile, AL	\$10.72
Shlossman, Amy	Accompanying the Secretary	Kansas City, Mo	\$10.72
Shlossman, Amy	Accompanying the Secretary	Denver, CO & New Orleans, LA	\$1,108.41
Shlossman, Amy	Accompanying the Secretary	New York City-All Borough, NY & Philadelphia, PA	\$847.87
Shlossman, Amy	Accompanying the Secretary	New York City-All Borough, NY	\$537.05
Shlossman, Amy	Accompanying the Secretary	Montreal, Canada	\$728.49
Silver, Mariko	Conference	San Jose, CA	\$2,708.47
Silver, Mariko	Conference	Mexico, Mexico	\$377.22
Silver, Mariko	Conference	Colorado Springs, CO	\$175.72
Silver, Mariko	Program/Site Visit	Mexico City, Mexico	\$1,948.44
Silver, Mariko	Conference	Tokyo, Japan & Beijing, China & Shanghai, China	\$6,952.16
Silver, Mariko	Program/Site Visit	Montreal, Canada	\$630.00
Silver, Mariko	Accompanying Deputy Secretary	Ottawa, Canada	\$556.38
Silver, Mariko	Program/Site Visit	Mexico, Mexico	\$3,192.29
Silver, Mariko	Accompanying the Secretary	Vancouver, Canada	\$1,607.83
Silver, Mariko	Accompanying the Secretary	Narita, Japan	\$4,726.19
Silver, Mariko	Conference	Incheon, Korea & Taipei, Taiwan & Los Angeles, CA	\$4,019.79
Silver, Mariko	Conference	San Diego, CA	\$1,479.67
Silver, Mariko	Conference	London, England & Amsterdam, Netherlands	\$3,711.88
Silver, Mariko	Conference	Boston, MA	\$547.91
Silver, Mariko	Bilateral Meeting	Ottawa, Canada	\$2,161.81
Silver, Mariko	Program/Site Visit	Honolulu, HI & New Delhi, India	\$10,751.31
Silver, Mariko	Conference	Ottawa, Canada	\$1,333.99
Silver, Mariko	Conference	Montreal, Canada	\$1,992.28
Silverthorne, Jonathan	Conference	Miami, FL & Panama City, Panama	\$2,404.56
Simmons, Caroline	Advancing the Secretary	Abu Dhabi, UAE	\$6,866.61
Simmons, Caroline	Program/Site Visit	Frankfurt Am Main, Germany & Kabul, Afghanistan & Dubai, UAE	\$4,243.65
Smith, Douglas	Speech/Presentation	San Francisco, CA	\$817.23
Smith, Douglas	Speech/Presentation	New York City-All Borough, NY	\$764.17
Smith, Douglas	Program/Site Visit	Fort Lauderdale, FL	\$745.93
Smith, Douglas	Conference	New York City-All Borough, NY	\$1,416.67
Smith, Douglas	Speech/Presentation	Los Angeles, CA	\$1,682.84
Smith, Douglas	Conference	Los Angeles, CA & Fayetteville, Are	\$3,151.62
Smith, Douglas	Conference	Los Vegas, NV & Geneva, Switzerland (Canceled After Ticketing)	\$20.06
Smith, Douglas	Speech/Presentation	Charleston, SC (Canceled After Ticketing)	\$10.03
Smith, Douglas	Accompanying the Secretary	Vancouver, Canada & San Diego,	\$1,724.69

Traveler	Purpose	Destination	Total Cost
		CA	
Smith, Douglas	Program/Site Visit	Santiago, Chile	\$1,783.59
Smith, Douglas	Program/Site Visit	Ottawa, Canada & Boston, MA	\$3,913.98
Smith, Douglas	Conference	Vancouver, Canada	\$1,068.17
Smith, Douglas	Speech/Presentation	Berlin, Germany	\$2,226.56
Smith, Douglas	Speech/Presentation	Amman, Jordan	\$3,620.66
Smith, Douglas	Speech/Presentation	Chicago, IL	\$662.65
Smith, Douglas	Speech/Presentation	New York City, NY	\$315.15
Smith, Douglas	Speech/Presentation	San Francisco, CA & Miami, FL & Santo Domingo, Dominican Republic & San Juan & Nav Res Sta, Puerto Rico & Detroit, MI	\$3,272.77
Smith, Douglas	Program/Site Visit	Atlanta, GA (Canceled After Ticketing)	\$10.03
Smith, Douglas	Conference	Singapore	\$5,952.18
Smith, Douglas	Speech/Presentation	Little Rock, AR	\$960.17
Smith, Douglas	Accompanying the Secretary	Montreal, Canada	\$1,465.08
Smith, Sean	Speech/Presentation	New York, NY	\$117.47
Smith, Sean	Accompanying the Secretary	Copenhagen, Denmark & Madrid, Spain & London, England & Brussels, Belgium & Abu Dhabi, UAE	\$2,972.79
Smith, Sean	Meetings	Los Angeles, CA	\$931.43
Smith, Sean	Accompanying the Secretary	Oakland, CA	\$462.36
Smith, Sean	Accompanying the Secretary	Madrid, Spain & Geneva, Switzerland	\$1,311.72
Smith, Sean	Accompanying the Secretary	Miami, FL	\$95.22
Smith, Sean	Accompanying the Secretary	Mexico City, Mexico	\$682.05
Smith, Sean	Accompanying the Secretary	Tokyo City, Japan	\$1,713.72
Smith, Sean	Accompanying the Secretary	Brunswick, GA	\$35.72
Smith, Sean	Accompanying the Secretary	Madrid, Spain & Abuja, Nigeria	\$1,656.17
Smith, Sean	Gulf Coast Oil Spill Effort	Pensacola, FL & New Orleans, LA	\$1,473.21
Smith, Sean	Gulf Coast Oil Spill Effort	New Orleans, LA	\$1,248.46
Smith, Sean	Accompanying the Secretary	New Orleans, LA	\$41.93
Smith, Sean	Meeting	Los Angeles, CA	\$1,915.59
Smith, Sean	Accompanying the Secretary	Montreal, Canada	\$821.37
Snyder, Nathaniel	Conference	Virginia Beach, VA	\$306.06
Snyder, Nathaniel	Conference	New York, NY	\$995.88
Snyder, Nathaniel	Conference	Minneapolis, MN	\$1,382.63
Snyder, Nathaniel	Conference	Los Angeles, CA	\$1,639.12
Snyder, Nathaniel	Conference	New York City-All Borough, NY	\$1,082.51
Snyder, Nathaniel	Conference	London, England	\$5,006.08
Snyder, Nathaniel	Conference	Ottawa, Canada	\$1,567.38
Spires, Richard	Program/Site Visit	Brunswick, GA	\$837.10
Spires, Richard	Conference	Williamsburg, VA	\$438.97
Spires, Richard	Training	Harpers Ferry, WV	\$312.14
Spires, Richard	Program/Site Visit	Brunswick, GA	\$841.71
Spires, Richard	Program/Site Visit	New Orleans, LA	\$860.93

Traveler	Purpose	Destination	Total Cost
Spires, Richard	Program/Site Visit	Los Angeles, CA & San Diego, CA & Tucson, AZ	\$1,778.86
Spires, Richard	Program/Site Visit	Iselin, NJ	\$575.30
Spires, Richard	Conference	Montreal, Canada	\$1,429.15
Spires, Richard	Conference	Harpers Ferry, WV	\$352.72
Spires, Richard	Program/Site Visit	Suffolk, VA	\$703.56
Whelan, Moira	Program/Site Visit	New Orleans, LA	\$1,444.86
Whelan, Moira	Program/Site Visit	New Orleans, LA	\$1,056.40
Whithorne, Robert	Accompanying the Secretary	New York City-All Borough, NY	\$2,773.89
Whithorne, Robert	Accompanying Deputy Secretary	Brasilia, Brazil	\$2,765.00
Whithorne, Robert	Gulf Coast Oil Spill Effort	Hammond, LA	\$3,621.96
Wiggins, Chani	Program/Site Visit	Detroit, MI	\$431.35
Wiggins, Chani	Program/Site Visit	New Orleans, LA	\$63.97
Wiggins, Chani	Gulf Coast Oil Spill Effort	New Orleans, LA	\$1,380.03
Wiggins, Chani	Program/Site Visit	New Orleans, LA	\$1,113.69
Williams, Grayling	Conference	Tampa, FL	\$756.15
Williams, Grayling	Meeting of the Interdiction Committee	Miami, FL	\$25.72
Williams, Grayling	Executive-Level Dialogue	Colorado Springs, CO	\$972.62
Williams, Grayling	Meeting with GOM Officials	Mexico City, Mexico & El Paso, TX	\$2,800.06
Williams, Grayling	Speech/Presentation	Tucson, AZ	\$1,369.90
Williams, Grayling	Conference	Bluemont, VA	\$237.72
Williams, Grayling	Planning Session and Speech	Mexico City, Mexico	\$1,420.72
Williams, Grayling	High-Level Meeting	El Paso, TX	\$1,165.69
Williams, Grayling	Program/Site Visit	San Diego, CA	\$1,633.33
Williams, Grayling	Conference	Phoenix, AZ	\$2,735.30
Williams, Grayling	Conference	San Diego, CA	\$1,475.97
Williams, Grayling	Program/Site Visit	San Antonio, TX & El Paso, TX & San Diego, CA & Tucson, AZ	\$2,599.08
Woodka, Janet	Program/Site Visit	New Orleans, LA	\$866.54
Woodka, Janet	Program/Site Visit	New Orleans, LA	\$1,128.83
Woodka, Janet	Program/Site Visit	New Orleans, LA	\$1,358.29
Woodka, Janet	Program/Site Visit	New Orleans, LA	\$1,694.03
Woodka, Janet	Program/Site Visit	New Orleans, LA	\$1,563.71
Woodka, Janet	Program/Site Visit	New Orleans, LA	\$917.74
Woodka, Janet	Program/Site Visit	New Orleans, LA	\$1,393.35
Woodka, Janet	Program/Site Visit	New Orleans, LA	\$1,886.44
Woodka, Janet	Program/Site Visit	New Orleans, LA	\$2,239.30
Woodka, Janet	Program/Site Visit	New Orleans, LA	\$1,570.72
Woodka, Janet	Speech followed by Meetings with Local Stakeholders and Federal Partners	New Orleans, LA	\$2,199.33
Woodka, Janet	Speech at NICRC and Meetings with Local Stakeholders	New Orleans, LA	\$1,163.06
Worman, Maya	Continuity of Operations Exercise	Winchester, VA	\$97.72

Question: For the Immediate Office of the Secretary and the Immediate Office of the Deputy Secretary, please identify how much funding is in the base for the costs to reimburse other government entities for the use of their own planes for travel by the Secretary and Deputy Secretary. Please identify the assumptions behind the dollar figures for fiscal year 2009, and anticipated for 2010 and 2011.

ANSWER: The table below identifies how much funding is in the base for reimbursements to other government entities for the use of their planes for travel by the Secretary and Deputy Secretary.

Base Funding for Government Aircraft Reimbursement			
	FY 2009	FY 2010	FY 2011 *
Secretary	\$985,000	\$2,031,000	\$1,110,000
Deputy Secretary	\$155,000	\$665,000	\$608,000

* Denotes obligated amount as of 3/15/2011

The FY 2009 and FY 2010 base funding for Immediate Office of the Secretary and Immediate Office of the Deputy Secretary reflects actual costs for reimbursement of government aircraft usage.

The Immediate Office of the Secretary currently has \$2,185,000 in the base for travel in FY 2011, which represents the following:

Funds that have been obligated as of 3/15/2011 to reimburse other government entities for the use of aircraft - \$1,110,000.

The relative amount of funds spent for government aircraft reimbursement varies based on the mix of foreign versus domestic travel; the more international travel, the higher the reimbursement costs are to the State Department, whereas less foreign travel leaves more funding available for aircraft fees for domestic travel.

The Immediate Office of the Deputy Secretary has \$749,000 in the base for travel in FY 2011, which represents the following:

Funds that have been obligated as of 3/15/2011 to reimburse other government entities for the use of aircraft - \$608,000.

The Deputy Secretary operates under the same circumstances as the Secretary, whereby the amount of funds available for reimbursement for plane costs varies on the amount of international and domestic trips.

Contracts

Question: Please provide a list of the sole source contracts executed by OSEM, USM, CIO and CFO in 2009. Organize the list by contractor, purpose, dollar award, full performance value, contract start date, contract end date, and reason for issuing a sole-source contract.

ANSWER: Information on contracts executed in FY 2009 and FY 2010 are provided below.

FY 2009

CONTRACTOR	PURPOSE	DOLLAR AWARD	FULL PERFORMANCE VALUE	CONTRACT START DATE	CONTRACT END DATE	REASON FOR SOLE-SOURCE
DIGITALIBIZ, INC.	Software and system engineering support for Position Navigation and Timing services for	\$314,141.71	\$314,141.71	8/27/2009	8/26/2010	8a Small Business Authorized by Statute

	critical infrastructure					
MAPQUEST, INC.	Purchase of MapQuest annual license with extended Geographic coverage license fee	\$82,500.00	\$82,500.00	12/15/2008	12/15/2009	Only One Source
STRATECON, LLC.	Security, Test & Evaluation services	\$2,564,246.40	\$2,564,246.40	9/30/2009	9/29/2010	8a Small Business Authorized by Statute

FY 2010

CONTRACTOR	PURPOSE	DOLLAR AWARD	FULL PERFORMANCE VALUE	CONTRACT START DATE	CONTRACT END DATE	REASON FOR SOLE-SOURCE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY	Transit Subsidy SMARTRIP Benefits (WMATA)	\$0.00	\$7,886,404.00	8/6/2010	8/6/2015	Authorized by Statute
BATTLE RESOURCE MANAGEMENT, INC.	CAO Electronic Records Management System	\$1,771,900.00	\$3,496,461.60	9/11/2010	9/15/2013	8a Small Business Authorized by Statute
SNAP, INC.	Financial Process and Procedure Assessment	\$328,426.30	\$685,566.50	9/27/2010	7/25/2011	8a Small Business Authorized by Statute
CONTRACTOR	PURPOSE	DOLLAR AWARD	FULL PERFORMANCE VALUE	CONTRACT START DATE	CONTRACT END DATE	REASON FOR SOLE-SOURCE
FEDERATED IT, INC.	Cabling Services for IT Projects	\$500,000.00	\$3,484,190.00	9/29/2010	10/31/2013	8a Small Business Authorized by Statute
UNLIMITED SERVICES SYSTEMS MANAGEMENT & CONSULTANTS, INC.	Event Planning Logistical Support service for FY 2010 DHS Industry Day and the FY 2010 DHS Acquisition Seminar	\$55,782.18	\$55,782.18	10/21/2009	12/4/2009	8a Small Business Authorized by Statute
UNLIMITED SERVICES SYSTEMS MANAGEMENT & CONSULTANTS, INC.	Logistical support Services for the 2 nd Annual DHS Acquisition Seminar	\$151,109.53	\$151,109.53	1/29/2010	6/30/2010	8a Small Business Authorized by Statute
OFORI & ASSOCIATES PC	Contract Closeout Support Services	\$555,060.50	\$1,349,558.10	4/1/2010	6/30/2012	8a Small Business Authorized by Statute

Question: Please provide for the record a list of all OSEM, USM, CIO and CFO contracts, grants and other transactions where work is performed outside of the United States. Organize by contractor, purpose, dollar award, full performance value, as well as contract start and end date.

ANSWER: In FY 2009 and FY 2010, there were no contracts, grants, or other transactions for OSEM, USM, CIO or CFO for work performed outside the United States.

Reception and Representation

Question: Please provide a summary chart that shows the amount of reception and representation expenses provided to each DHS agency in fiscal years 2010 and 2011 and requested in fiscal year 2012. Please also include a table that displays what each agency spent for reception and representation in fiscal year 2010, and how much funding has been obligated to date in fiscal year 2011, and an explanation for each expenditure.

ANSWER: Below are the summary charts/tables that show the amount of reception and representation expenses for each DHS agency in fiscal years 2010, 2011 and amounts requested in fiscal year 2012.

Department of Homeland Security Official Reception and Representation Distribution Fiscal Years 2010, 2011 and 2012			
Component	FY 2010 Appropriated	FY 2011 CR Funding Level	FY 2012 President's Request
Office of the Secretary & Executive Management	\$ 60,000	\$ 60,000	\$ 60,000
Office of the Under Secretary for Management	3,000	3,000	3,000
Analysis and Operations	5,000	5,000	5,000
Customs and Border Protection	45,000	45,000	45,000
Immigration and Customs Enforcement	15,000	15,000	15,000
Transportation Security Administration*	10,000	14,119	10,000
United States Coast Guard	20,000	20,000	20,000
United States Secret Service	25,000	25,000	25,000
National Protection and Programs Directorate	5,000	5,000	5,000
Office of Health Affairs	3,000	3,000	3,000
Federal Emergency Management Agency	3,000	3,000	3,000
Federal Law Enforcement Training Center	12,000	12,000	12,000
Science and Technology	10,000	10,000	10,000
Domestic Nuclear Detection Office	3,000	3,000	3,000
Total	\$219,000	\$223,119	\$219,000

*Please note that TSA receives 2 year funds. Thus, TSA carried over \$4,119 from FY 2010 into FY 2011. Total Reception and Representation funds available for FY 2011 is \$14,119.

Department of Homeland Security Official Reception and Representation Distribution Fiscal Year 2010		
Component	FY 2010 Appropriated	FY 2010 Actual
Office of the Secretary & Executive Management	\$ 60,000	\$ 46,365
Office of the Under Secretary for Management	3,000	-
Analysis and Operations	5,000	4,472
Customs and Border Protection	45,000	44,839
Immigration and Customs Enforcement	15,000	14,065
Transportation Security Administration	10,000	5,880
United States Coast Guard	20,000	19,977
United States Secret Service	25,000	16,952
National Protection and Programs Directorate	5,000	4,833
Office of Health Affairs	3,000	-
Federal Emergency Management Agency	3,000	1,982

Federal Law Enforcement Training Center	12,000	1,723
Science and Technology	10,000	9,074
Domestic Nuclear Detection Office	3,000	2,400
Total	\$219,000	\$172,562

Department of Homeland Security		
Official Reception and Representation Distribution		
Fiscal Year 2011 (as of December 31, 2010)		
Component	FY 2011 CR Funding Level	Obligation as of 12/31/10
Office of the Secretary & Executive Management	\$ 60,000	\$ 8,569
Office of the Under Secretary for Management	3,000	-
Analysis and Operations	5,000	225
Customs and Border Protection	45,000	8,280
Immigration and Customs Enforcement	15,000	4,467
Transportation Security Administration*	14,119	5,794
United States Coast Guard	20,000	6,398
United States Secret Service	25,000	4,549
National Protection and Programs Directorate	5,000	4
Office of Health Affairs	3,000	-
Federal Emergency Management Agency	3,000	-
Federal Law Enforcement Training Center	12,000	408
Science and Technology	10,000	1,598
Domestic Nuclear Detection Office	3,000	113
Total	\$223,119	\$40,205

*Please note that TSA receives 2 year funds. Thus, TSA carried over \$4,119 from FY 2010 into FY 2011. Total Reception and Representation funds available for FY 2011 is \$14,119.

Department of Homeland Security <u>Official Reception and Representation Obligations and Expenditures in 1st Qtr FY 2011 by Component</u> Fiscal Year 2011 As of December 31, 2010									
Component Name	Name of Event(s)	Date of Event	List Number of DHS/Non-DHS Attendees	Purpose of Event	Description of Items Purchased	Obligations/ Cost of Item(s) purchase	Expenditures as of December 31, 2010	Remaining Budget Authority	FY 2011 CR Enacted
Office of the Secretary and Executive Management	S1 official meeting	10/1/2010	DHS - 4;	official meeting	coffee service	\$9	\$9	\$39,991	\$40,000
	S2 official meeting	10/7/2010	Panama - 5 DHS - 0; Luxembourg - 5	official meeting	Breakfast	\$125	\$125	\$39,866	
	S1 official meeting	10/10/2010	DHS - 17; DoJustice - 12; Canada - 19	official meeting	Luncheon	\$652	\$652	\$39,214	
	S2 official meeting	10/13/2010	DHS - 9; Cyber Experts - 5	official meeting	Dinner	\$490	\$490	\$38,724	
	S2 official meeting	10/13/2010	DHS - 3; Germany - 11	official meeting	coffee service	\$14	\$14	\$38,710	
	S1 official meeting	10/14/2010	DHS - 3; Sen Cleveland - 1	official meeting	Luncheon	\$40	\$40	\$38,670	
	S1 official meeting	10/19/2010	DHS - 3; Brazil - 3	official meeting	coffee service	\$6	\$6	\$38,664	
	S2 official meeting	10/21/2010	DHS - 9; DoState - 8; Germany - 23	official meeting	Reception	\$971	\$971	\$37,693	
	S2 official meeting	10/28/2010	DHS - 2; UK - 5	official meeting	coffee service	\$7	\$7	\$37,686	
	S1 official meeting	11/1/2010	DHS - 4; HSAC - 4	official meeting	Luncheon	\$120	\$120	\$37,566	
	official gifts	11/2/2010	4	official gifts	official gifts	\$53	\$53	\$37,513	

	S2 official meeting	11/3/2010	DHS - 9; Cyber Experts - 4	official meeting	dinner	\$455	\$455	\$37,058
	S2 official meeting	11/9/2010	DHS - 7; DoTreasury - 5	official meeting	luncheon	\$180	\$180	\$36,878
	S1 official meeting	11/9/2010	DHS - 1; DoHHS - 1	official meeting	luncheon	\$20	\$20	\$36,858
	official gifts	11/16/2010	2	official gifts	official gifts	\$10	\$10	\$36,848
	official gifts	11/17/2010	2	official gifts	official gifts	\$17	\$17	\$36,831
	S1 official meeting	11/18/2010	DHS - 6; Lufthansa - 7	official meeting	coffee service	\$13	\$13	\$36,818
	S2 official meeting	11/19/2010	DHS - 1; EU - 5 (to be confirmed)	official meeting	coffee service	\$50	\$50	\$36,768
	official gifts	11/26/2010	1	official gift	official gifts	\$150	\$150	\$36,618
	official gifts	11/29/2010	2	official gifts	official gifts	\$28	\$28	\$36,590
	S1 official meeting	11/30/2010	DHS - 0; Panama - 3	official meeting	Luncheon	\$90	\$90	\$36,500
	official gifts	12/7/2010	2	official gifts	official gifts	\$43	\$43	\$36,457
	S2 official meeting	12/8/2010	DHS - 1; EU - 1	official meeting	Breakfast	\$20	\$20	\$36,437
	official gifts	12/13/2010	1	official gifts	official gifts	\$6	\$6	\$36,431
	official gifts	12/20/2010	14	official gifts	official gifts	\$78	\$78	\$36,353
	official gifts	12/20/2010	4	official gifts	official gifts	\$20	\$20	\$36,333
	official gifts	12/21/2010	11	official gifts	official gifts	\$254	\$254	\$36,079
	official gifts	12/22/2010	3	official gifts	official gifts	\$492	\$492	\$35,587
	official	12/22/2010	2	official gifts	official gifts	\$235	\$235	\$35,352

Office of Policy (Visa Waiver Program)	gifts	12/23/2010	1		official gifts	official gifts	\$335	\$335	\$35,017
	official gifts	12/23/2010	1		official gifts	official gifts	\$46	\$46	\$34,971
	official gifts	12/24/2010	3		official gifts	official gifts	\$16	\$16	\$34,955
	official gifts	12/24/2010	4		official gifts	official gifts	\$33	\$33	\$34,922
	official gifts	12/24/2010	2		official gifts	official gifts	\$300	\$300	\$34,622
	official gifts	12/29/2010	602		official gifts	official gifts	\$1,317	\$1,317	\$33,285
	ROK Delegation	10/5/2010	9 ROK; 4 DHS		VWP Info Sharing Discussions	Meals	\$318	\$318	\$19,682
	Croatian Delegation	10/25/2010	12 Croatian; 3 DHS; 1 DOJ; 1 DOS		VWP Info Sharing Discussions	Meals	\$476	\$476	\$19,206
	Taiwanese Delegation	11/8/2010	13 Taiwanese; 1 DOJ; 2 DOS; 2 DHS		VWP Info Sharing Discussions	Meals	\$89	\$89	\$19,117
	Taiwanese Delegation	11/8/2010	13 Taiwanese; 1 DOJ; 2 DOS; 2 DHS		VWP Info Sharing Discussions	Meals	\$232	\$232	\$18,885
Total							\$8,569	\$8,569	\$51,431
Total							\$8,569	\$8,569	\$60,000

Department of Homeland Security
Official Reception and Representation Obligations and Expenditures in 1st Qtr FY 2011 by Component
Fiscal Year 2011

LEGW Reception - Italy	12/6/2010	300 Attendees from several Italian Ministries	official meeting	Food & Beverage	\$500	\$500	\$40,029
Protocol Supplies Lunch during OBP - PNS Western Region Work-Group Meeting	11/18/2010		Office Supplies	Office Supplies	\$50	\$50	\$39,979
	12/1/2010	100 Participants including US Federal, State, Local, Tribal Partners and Canadian Law Enf. Agencies	official meeting	Food & Beverage	\$870	\$870	\$39,109
Lunch Meeting	12/6/2010	2 Taiwan Officials 2 CBP Officials	official meeting	Food & Beverage	\$150	\$150	\$38,959
LEWG Reception - South Africa	12/8/2010	50 Attendees from various agencies within SF	official meeting	Food & Beverage	\$500	\$500	\$38,459
LEWG Reception - Canada	12/8/2010	300 Canadian Law Enforcement Officials Invited	official meeting	Food & Beverage	\$350	\$350	\$38,109
DHS Participation in White House Event	12/2/2010	Attended Top Officials including Sec. Napolitano	official meeting	Food & Beverage	\$800	\$800	\$37,309
Protocol Supplies Working Dinner	12/14/2010		Office Supplies	Office Supplies	\$200	\$200	\$37,109
	12/14/2010	2 Mexico Government Officials	official meeting	Food & Beverage	\$400	\$389	\$36,720

			2 CBP Officials				\$8,348	\$8,280	\$36,720	\$45,000
Total										
Department of Homeland Security										
Official Reception and Representation Obligations and Expenditures in 1st Qtr FY 2011 by Component										
Fiscal Year 2011										
As of December 31, 2010										
Component Name	Name of Event(s)	Date of Event	List Number of DHS/Non- DHS Attendees	Purpose of Event	Description of Items Purchased	Obligations/ Cost of Item(s) purchase	Expenditures as of December 31, 2010	Remaining Budget Authority	FY 2011 CR Enacted	
Immigration and Customs Enforcement	Mexican Customs and Tax Service VIP Dinner in Charleston	10/20/2010	6	official meeting	Dinner	\$344	\$344	\$14,656	\$15,000	
	Bilateral Strategic Plan Enforce- ment	10/21/2010	21	official meeting	Dinner	\$1,522	\$1,522	\$13,135		
		11/19/2010	37	official meeting	Breakfast	\$311	\$311	\$12,824		
	Retirement Reception	11/19/2010	152	official meeting	Reception	\$360	\$360	\$12,464		
	IPR Center Informal Advisory Working Group	12/15/2010	17	official meeting	Coffee	\$52	\$52	\$12,412		
	Stakeholder Event	12/16/2010	253	official meeting	Conference style	\$1,879	\$1,879	\$10,533		
Total							\$4,467	\$10,533	\$15,000	
Department of Homeland Security										
Official Reception and Representation Obligations and Expenditures in 1st Qtr FY 2011 by Component										

Fiscal Year 2011 As of December 31, 2010									
Component Name	Name of Event(s)	Date of Event	List Number of DHS/Non-DHS Attendees	Purpose of Event	Description of Items Purchased	Obligations/ Cost of Item(s) purchase	Expenditures as of December 31, 2010	Remaining Budget Authority	FY 2011 CR Enacted
TSA	ICAO meeting	9/28 to 10/8	1/1 ratio	official meeting	official gifts	\$450	\$450	\$13,669	\$14,119
	Israel ASWG	10/4 to 10/6	2/1 ratio	official meeting		\$511	\$511	\$13,158	
	Asia & Pacific Region GCA	10/25 to 10/19	1/1 ratio	official meeting.	official gifts	\$50	\$50	\$13,108	
	Thailand Delegation	11/8 to 11/12	2/1 ratio	official meeting	official gifts	\$140	\$140	\$12,968	
	AIT policy Summit	11/9 to 11/10	6/1 ratio	official meeting		\$2,486	\$2,486	\$10,482	
	QUAD Coordinati on Group	11/8 to 11/9	3/1 ratio	official meeting		\$712	\$712	\$9,770	
	French TSWG	11/ 16 to 11/17	1/1 ratio	official meeting		\$320	\$320	\$9,450	
	EU TSCG	12/7 to 12/8	3/1 ratio	official meeting		\$717	\$717	\$8,733	
	Vietnam CAA	12/16 to 12/20	16/8	official meeting	official gifts	\$408	\$408	\$8,325	
	Total						\$5,794	\$5,794	\$8,325

*Please note that TSA receives 2 year funds. Thus, TSA carried over \$4,119 from FY 2010 into FY 2011. Total Reception and Representation funds

Department of Homeland Security Official Reception and Representation Obligations and Expenditures in 1st Qtr FY 2011 by Component Fiscal Year 2011 As of December 31, 2010									
Component Name	Name of Event(s)	Date of Event	List Number of	Purpose of Event	Description of Items	Obligations/ Cost of	Expenditures as of	Remaining Budget	FY 2011 CR

			DHS Attendees			purchase	2010		
Office of Health Affairs	N/A	N/A	N/A	N/A	N/A	\$0	\$0	\$3,000	\$3,000
Total							\$0	\$3,000	\$3,000

Department of Homeland Security Official Reception and Representation Obligations and Expenditures in 1st Qtr FY 2011 by Component Fiscal Year 2011 As of December 31, 2010									
Component Name	Name of Event(s)	Date of Event	List Number of DHS/Non-DHS Attendees	Purpose of Event	Description of Items Purchased	Obligations/ Cost of Item(s) purchase	Expenditures as of December 31, 2010	Remaining Budget Authority	FY 2011 CR Enacted
Federal Emergency Management Agency	N/A	N/A	N/A	N/A	N/A	\$0	\$0	\$3,000	\$3,000
Total							\$0	\$3,000	\$3,000

Department of Homeland Security Official Reception and Representation Obligations and Expenditures in 1st Qtr FY 2011 by Component Fiscal Year 2011 As of December 31, 2010									
Component Name	Name of Event(s)	Date of Event	List Number of DHS/Non-DHS Attendees	Purpose of Event	Description of Items Purchased	Obligations/ Cost of Item(s) purchase	Expenditures as of December 31, 2010	Remaining Budget Authority	FY 2011 CR Enacted
Federal Law Enforcement Training Center (FLETC)	Public Safety Leadership Development Consortium Tour	12/8/2010	0 DHS/24 Non-DHS Attendees	official meeting	Cafeteria Meal Tickets	\$127	\$127	\$11,873	\$12,000

(PSLDC) Summit Meeting TBD	N/A	N/A	N/A	Cafeteria Meal Tickets	\$ 282	\$0	\$11,592	\$12,000
Total					\$408	\$127	\$11,592	\$12,000

Department of Homeland Security Official Reception and Representation Obligations and Expenditures in 1st Qtr FY 2011 by Component Fiscal Year 2011 As of December 31, 2010								
Component Name	Name of Event(s)	Date of Event	List Number of DHS/Non-DHS Attendees	Purpose of Event	Description of Items Purchased	Obligations/ Cost of Item(s) purchase	Expenditures as of December 31, 2010	FY 2011 CR Enacted
Science and Technology (S&T)	France and US Meeting	10/4/2010	17 dignitaries 8 DHS staff	official meeting	dinner meeting	\$591.66	\$591.66	9,408.34
	France and US Meeting	10/4/2010	17 dignitaries 5 DHS staff	official meeting	working lunch	\$120	\$120	9,288.34
	France and US Meeting	10/5/2010	17 dignitaries 5 DHS staff	official meeting	working lunch	\$161.50	\$161.50	9,126.84
	US Australia Meeting	10/13-14/2010	6 dignitaries 9 DHS staff	official meeting	Refreshments for two day meeting	\$224	\$224	8,902.84
	US-EU Meeting	10/27/2010	20 dignitaries 6 DHS staff	official meeting	Lunch for meeting	\$307	\$307	8,595.84
	US Singapore Meeting	11/2/2010	4 dignitaries 9 DHS staff	official meeting	working lunch	\$59.78	\$59.78	8,536.06
	US UK Meeting	12/15/2010	2 dignitaries 1 DHS staff	official meeting	working lunch	\$133.69	\$133.69	8,402.37
	Total					\$1,598	\$1,598	\$8,402
								\$10,000

<u>Department of Homeland Security</u> <u>Official Reception and Representation Obligations and Expenditures in 1st Qtr FY 2011 by Component</u> <u>Fiscal Year 2011</u>										
As of December 31, 2010										
Component Name	Name of Event(s)	Date of Event	List Number of DHS/Non-DHS Attendees	Purpose of Event	Description of Items Purchased	Obligations/ Cost of Item(s) purchase	Expenditures as of December 31, 2010	Remaining Budget Authority	FY 2011 CR Enacted	
Domestic Nuclear Detection Office	Meeting with Singapore	11/3/2010	3/3	official meeting	Lunch	\$113	\$113	\$2,887	\$3,000	
			Total			\$113	\$113	\$2,887	\$3,000	

USCIS is not included in the Rep Fund report because it uses revenue from its fee account and not appropriated resources for Official Reception and Representation. USCIS had authority to use up to \$10,000 from its Immigration Examination Fee account for Officially Reception and Representation per public law.

Biometric Exit

Question: Last year you testified before this Subcommittee that the Department would use the balance of \$50 million dollars in US-VISIT provided for a biometric exit solution, which you would “focus on using...at airports.” Yet the FY12 request proposes to rescind \$25 million and spend the remaining \$25 million for purposes other than implementing biometric exit. How do you reconcile your FY12 proposal with your previous statement, and with the statutory mandate to implement biometric exit?

ANSWER: In this fiscally constrained environment, some difficult choices had to be made—one of which was to use the \$25.642 million as an offset to provide funding for other Departmental priorities. Looking towards fiscal year 2012, a realignment of funds will be necessary in order to enhance the collection and use of biographic exit data and the review of potential overstay records – both of which will increase our current capabilities and lay a strong foundation for other exit measures in the future. It is important to note, that an enhanced biographic air exit program will accomplish nearly the same results as the biometric exit program was intended to do at a significantly lower cost. The enhanced program will improve DHS’ ability to match entry and exit records and thus allow DHS to better detect those who have overstayed their lawful period of admission in the United States.

Question: If you have decided how the Department will proceed with biometric exit, what is that decision, and when will it be announced? If no decision will be announced this year please explain why.

ANSWER: In this fiscally constrained environment, some difficult choices had to be made—one of which was to use the \$25.642 million as an offset to provide funding for other Departmental priorities. Looking towards fiscal year 2012, a realignment of funds will be necessary in order to enhance the collection and use of biographic exit data and the review of potential overstay records – both of which will increase our current capabilities and lay a strong foundation for other exit measures in the future. It is important to note, that an enhanced biographic air exit program will accomplish nearly the same results as the biometric exit program was intended to do at a significantly lower cost. The enhanced program will improve DHS’ ability to match entry and exit records and thus allow DHS to better detect those who have overstayed their lawful period of admission in the United States.

Disaster Relief Fund

Question: Please explain how you funded FEMA’s DRF to the five-year average in FY12 – which is \$4.6 billion – even though you only requested \$1.8 billion in FY 12.

ANSWER: The \$1.8 billion requested for the Disaster Relief Fund, per standard annual practice, reflects the 5-year rolling average of historical obligations for noncatastrophic events (those less than \$500 million in estimated obligations), less estimated recoveries for FY 2012. We also have a robust strategy in place to deobligate funds from past contracts and projects that are now complete and where we did not spend all the money originally obligated. Based on our experience in actively managing the unliquidated contract obligations in FY 2010, we are taking the same approach for Public Assistance grants in FY 2011, and anticipate that our projected recoveries will be greater than the \$900 million estimate in the fiscal year 2012 budget request.

Question: How much of this can be offset with recovered/unobligated funding beyond the \$900 million already included in the budget request?

ANSWER: We are taking an active approach in extending DRF solvency. Included in this effort is the management of unliquidated obligations for Individual Assistance and Public Assistance grants in FY 2011. We anticipate that our projected recoveries will be greater than \$900 million. FEMA staff will keep Congressional staff apprised of new recovery estimates as they are available.

Question: Will you be submitting a revised budget request, a budget amendment, or a list of programs to cut to address the inadequate request for disaster relief or are you expecting Congress to address the DRF shortfall in FY12, to include the known costs of catastrophic disasters?

ANSWER: The President's FY 2012 Budget Request is consistent with our past methodology, as we continue to use the 5-year rolling average of historical obligations for non-catastrophic events. While estimation for FY 2012 was made difficult by the lack of an FY 2011 full-year appropriation, the Administration is committed to working with Congress as we have in the past to ensure full funding for the DRF, including catastrophic level obligations, such as those created by Katrina.

USCIS Transformation

Question: There have been some recent news reports questioning whether the USCIS Transformation program is being appropriately managed within budget and on schedule. Please provide the original milestones for USCIS Transformation, the rebaselined milestones, and an explanation for the rebaselining.

ANSWER: USCIS Transformation is an agency-wide effort to move immigration services from a paper-based system to an electronic environment. Transformation will allow immigration benefit seekers to submit and track applications electronically through online customer accounts. With redesigned business processes and improved case management, the system will enhance USCIS's ability to process cases with greater precision, security, and timeliness.

In November 2008, USCIS awarded a task order to the IBM Corporation to serve as the Solutions Architect for the program. Under this initial task order, citizenship benefits were to be the first benefit type to be released, by the end of FY 2010. Immigrant, humanitarian, and nonimmigrant benefit types were to be released in FY 2011 and FY 2012.

In 2009, after a careful evaluation of this initial approach, USCIS decided to re-sequence the program in a way that followed the natural immigration lifecycle, which often starts with nonimmigrant benefit types. By the end of 2011, USCIS will introduce the foundational phase of Transformation: initial customer accounts and core case management capabilities for one nonimmigrant benefit type. Revising the order in which benefit types would be released contributed to a schedule adjustment, but will enable a more efficient and effective launch by modernizing less complex benefit types first and following the natural immigration lifecycle thereafter.

USCIS's goal in the second phase is to extend accounts and core case management capabilities to additional nonimmigrant benefit types in 2012. In the third and fourth phases, USCIS will extend new system capabilities to immigrant and humanitarian benefit types, such as asylum and refugee status. The fifth and final phase will complete the overall USCIS Transformation transition by extending new system capabilities to naturalization and other citizenship-related benefits.

USCIS has made significant progress in support of the foundational phase of Transformation. USCIS has re-engineered numerous business processes for core immigration capabilities, completed complex business requirements for the end-to-end immigration benefit processing system, upgraded necessary technology, and gathered feedback from immigration applicants, over 120 stakeholder organizations, and government partner agencies.

Through Transformation, USCIS is dedicated to redesigning our agency's business processes to ensure we deliver the most effective and reliable operating model for the 21st century.

First Responder Grants – Performance Metrics

Question: After almost a decade, the Department cannot measure if we are safer or more prepared even though we have appropriated almost \$33 billion. In your testimony before the Subcommittee, however, you stated that we must achieve a baseline capability with homeland security grants. Where are we in achieving this baseline capability? What gaps remain?

ANSWER: The Administration is committed to measuring the effectiveness of state and local preparedness grants.

As you have indicated, the first step in measuring grant effectiveness is identifying a capability baseline. In pursuit of this objective, FEMA has developed State Accomplishment Summaries for 56 States and territories. These summaries categorize expenditures by target capability, review States' accomplishments in the utilization of FEMA resources, and discuss the specific hazards facing the jurisdictions.

FEMA, through its work with Federal, state, and local stakeholders, is committed to refocusing its efforts on the measurement of grant effectiveness by establishing agreed-upon programmatic objectives and measuring grantee performance, with incentives for communities that build innovative, effective, and risk-reducing capabilities. Moreover, FEMA will be able to identify best practices and direct grant resources to those capability gaps deemed most essential to protecting and preparing the homeland.

Question: How much more funding is required above the almost \$33 billion already provided to achieve and sustain this capability?

ANSWER: While the FY 2012 President's Budget includes the sufficient amount to continue sustaining this capability, the renewed efforts to establish a capability baseline and associated performance measurement system will help to provide a more complete answer to this question in the near future.

Question: What is the Department doing to better measure how much safer or more prepared we are after almost \$33 billion in grants?

ANSWER: Over the past decade, DHS has developed many components of an assessment framework — such as hazard documentation, risk methodology, security strategy, planning scenarios, target capabilities, and investment justifications. We are currently pulling all of these pieces into an integrated system that is able to produce a cohesive picture of preparedness.

While still in its infancy, the Preparedness Comprehensive Assessment Support Tool (PrepCAST) currently serves as the host for the NIMS Compliance Assessment Support Tool and the SPR Survey. Both tools allow for States to report, manage, and track their preparedness activities over time. In order to develop this system into a transparent, consistent, and functional for all stakeholders, we are working with State and local jurisdictions to facilitate the integration of appropriate threat and hazard identification risk assessment processes, homeland security strategies, and training/exercise plans using PrepCAST. .

Moreover, FEMA has engaged the National Academy of Public Administration to assist the Agency in the development and design of appropriate metrics to better measure progress in our grant programs.

Question: Does DHS believe quantifiable metrics are needed to justify additional grant funding?

ANSWER: DHS believes that metrics would more effectively demonstrate the many accomplishments that grant recipients are making to continuously improve their preparedness programs. FEMA has engaged the National Academy of Public Administration to assist the Agency in the development and design of appropriate metrics to better measure progress in our grant programs.

Port Security and Transit Security Grant Programs

Question: Since the inception of port security and transit security grant programs, Congress has provided almost \$4 billion; however, almost \$3 billion remains unspent. The FY12 request includes \$600 million for port and transit grant program even though billions remain unspent. With over \$3 billion still left unspent, how can you justify \$600 million for these programs when programs with known shortfalls such as DRF are underfunded? Provide the metrics used to justify funding? Provide explanation for the massive amount that remains unspent. Provide plans for how you will decrease the time required for funds to be drawn down and spent.

ANSWER: This is an issue on which we are very focused. We are fully committed to getting funding out the door to grantees as quickly as possible and ensuring that it is put to work. In addition, we must consider the statutory requirements, rules, and regulations associated with grants.

First, per statute, most DHS grants have a minimum 3-year performance period, meaning States/locals have 3 years to spend the funding once awarded. By statute, grants may be extended to no more than 5 years after award. The trend over the last several years is that most grants, due to complexity of projects and other factors, are requiring the full 5 years to complete and draw down funds. This is especially relevant for large-scale target-hardening projects that take time to complete.

Second, many States/locals draw down Federal grant funding according to their own legislative and procurement requirements (some require legislative approval, others can only draw down funding once a year, etc.), which means funding may be obligated and spent, but the State/local grantee has not yet submitted for full reimbursement.

FEMA also is focused on reforming its approach to grants management to improve the business process that leads to grantee awards, and we hope to work with Congress to address the issues associated with statutory and reporting requirements that may delay awards.

SAFER and Fire Equipment Grants

Question: The FY12 budget request includes \$670 million for SAFER and fire fighter equipment. Normally, funding is closely balanced between the two programs, but this year the request for SAFER is \$420 million while fire equipment is \$250 million. Provide justification for this funding?

ANSWER: Due to current economic hardships on state and local governments, the decision was made to focus limited grant resources on rehiring laid-off firefighters. The FY 2012 budget request provides funding for more than 2,300 firefighter jobs. Additionally, some larger grant programs such as the State Homeland Security Program and UASI can fund some activities including training and equipment typically associated with the AFG program.

Question: What metric do you have that supports funding SAFER at a greater amount than funding for equipment? What quantifiable metrics do you have to justify a significantly decreased amount for equipment?

ANSWER: Overall, requested funding of \$670 million for firefighter grants is an increase of \$60 million from the FY 2011 to FY 2012 Budget. Due to current economic hardships on state and local governments that threaten the reduction in staffing of fire departments to dangerously low levels, the decision was made to focus limited grant resources on rehiring laid-off firefighters. The FY 2012 budget request provides funding for more than 2,300 firefighter jobs. Additionally, some larger grant programs such as the State Homeland Security Program and UASI can fund some activities including training and equipment associated with the AFG program.

In April 2010, the Commission on Fire Accreditation International (CFAI) (a national fire service organization that accredits fire departments), in conjunction with the National Institute of Standards and Technology (NIST), released a study that links the impact between staffing and arrival times influence on saving lives and property. For example, one finding from this study indicates that four-person crews were able to respond and conduct search and rescue functions 30 percent faster than departments with smaller crew sizes. The study concludes that smaller crews (i.e. 2 person crews) would impact sensitive communities (children and elderly) due to their inability to mitigate the effects of gas and fire exposure. Further, a report by the National Fire Academy found that in smaller communities, a crew staffed with four firefighters rather than three could perform a rescue of potential victims 80 percent faster. Staffing levels also impact the safety of the firefighters. A study from the Seattle Fire Department concluded that "the rate of firefighter injuries expressed as total hours of disability per hours of fireground exposure were 54% greater for engine companies staffed with 3 personnel when compared to those staffed with 4 firefighters." According to the United State Fire Administration there were over 445,400 fires in 2009 representing 2,570 fire deaths and 14,100 injuries. Direct costs from these fires losses were estimated at \$10 billion. The impact of smaller crew size can also affect the health and safety of a firefighter. Results from the CFAI/NIST study showed that cardiovascular strain was higher when a crew of 2 firefighters was deployed than when a crew of 5 firefighters was deployed. In 2009, 82 firefighters were lost in the line of duty. A contributing factor in these fatalities was stress and overexertion. In conclusion, reductions in number of firefighters funded through this program will have a direct impact on staffing levels, thereby resulting in smaller crew sizes. As can be evidenced by the above-referenced studies, smaller crew sizes impact the survivability of civilians as well as the health, safety and survivability of firefighters.

Question: Your budget request states that the \$420 million requested for SAFER will support 2,200 firefighter positions, which equates to \$191,000 per position. Can you explain the cost per position?

ANSWER: The SAFER program provides the prospective grantee a multi-year award that reimburses for salaries and benefits (including retirements, health insurance, FICA, workers compensation, etc.) for the firefighters rehired. The formula used to calculate the estimated number of firefighters that could be hired was based on the average expenditures from current awardees.

The following is the formula used to estimate the number

- GPD currently uses 5% of the appropriated funds for management and administration
- Therefore, \$399,000,000 would be available for SAFER awards;
- In addition to hiring firefighters the SAFER grants support the recruitment and retention of volunteer firefighters. An estimated 10% of the available funds are allocated towards those programs.
- In FY10 the average firefighter position was \$81,600 (salary and benefits);
- In FY10 the period of performance for these positions was 2 years;
- Each FY10 funded position received \$163,200 (on average);

Given available funding (minus M&A and volunteer R&R), with an estimated cost \$160,000 per firefighter for a two year period of performance, GPD estimates funding 2,200 positions.

QUESTIONS FOR THE RECORD SUBMITTED BY

THE HONORABLE David Price

Secretary Napolitano

Committee on Appropriations-Subcommittee on Homeland Security
FY 2012 DHS Budget Request
March 2, 2011

Diversification of Emerging Threats

Question: In early February, you warned that threats to the United States are at the highest level since the attacks of September 11, 2001, citing the emergence of more foreign terrorist groups, a sharp increase in extremists in this country, and the "lone wolf" operators whom authorities worry they may not be able to stop.

Since the attempted bombing on Christmas Day 2009, and based on more recent attempts in Times Square and on air cargo aircraft, the Department has made a concerted effort to address these diversified threats. In January, TSA expedited the deadline for industry to screen 100 percent of air cargo on international inbound passenger aircraft- two years earlier than previously anticipated. CBP has been working closely with industry and overseas partners to receive cargo manifests for international flights to the United States prior to departure to identify and screen items. And many agencies throughout the Department have added additional layers of detection, for example by expanding the number of the Immigration Advisory Program officers and Visa Security Units that vet backgrounds of people coming to the United States that may have a questionable past. I commend you for all of these efforts. But there appears to be some holes in your 2012 budget in this area too. For example, neither TSA nor CBP have any new funding for air cargo activities undertaken since the initial Yemen response. ICE would not expand their visa security units to more high risk countries.

- Secretary Napolitano, does your budget request fully encompass the Department's needs to identify and react to emerging threats before they become a reality? For example, in air travel, do we know who and what is flying to our country?

ANSWER: The response to this question is designated as For Official Use Only (FOUO). The Department will submit the response under separate cover.

DHS Headquarters

Question: H.R. 1 provides no funding for DHS headquarters, so progress on building and equipping your Department's new headquarters could very well grind to a halt or the timeline, at least, for completing that work could now be much, much longer. In budget briefings, DHS has indicated that if they do not receive the entire budget request for 2011 (\$668.1 million total in both GSA and DHS), the Coast Guard headquarters project will be delayed by at least a year and costs will increase by \$69 million. H.R. 1 provides no funding for either the new DHS headquarters or lease consolidation.

The 2012 budget request reduces funding for both activities (headquarters and lease consolidation) compared to what was requested in 2011 (by \$72.5 and \$20 million respectively). The 2012 budget requests no funding for FEMA's new headquarters at St. Elizabeths, which was included in last year's request, thereby delaying the onset of this construction.

- Madam Secretary, what impact could significant delays or the stalling of these efforts have on the operations of your Department, and by extension, the security of the homeland?

ANSWER: The Department remains fully committed to the Headquarter Consolidation Program. It provides a foundation upon which we will mature and strengthen the Homeland Security Enterprise. The President's FY 2012 Budget Request builds on the FY 2011 request to preserve essential frontline operations and continue the St. Elizabeths development and the Mission Support consolidation efforts. These are interrelated initiatives and funding both is required in order to increase mission effectiveness and realize management efficiency.

The Department proposes to extend the schedule by one year for construction of the Federal Emergency Management Agency (FEMA) headquarters at St. Elizabeths to prioritize frontline security operations. The FEMA segment was selected specifically to avoid any adverse cost or scheduling impact to the ongoing construction on the West Campus.

While DHS does not require funding for FEMA Headquarters in FY 2012, the GSA Budget Request does initiate the FEMA site development with \$20.4 million for East Campus Road Construction. The DHS FY 2012 request maintains the U.S. Coast Guard on track for completion in FY 2013 and continues the development of the critical Phase 2A DHS Operations Centers (DOC) facility immediately adjacent and connected to the Coast Guard Headquarters below grade. The DOC is the center of gravity of the campus as it co-locates the National Operations Center with the Component Operations Centers to facilitate effective command and control and integrated decision making during times of crisis.

If H.R. 1 is enacted, this action will have a direct and immediate adverse impact to ongoing construction and delay all phases of project delivery. Beyond the \$69 million in direct cost increases due to the loss of integrated construction sequencing, initial estimates at re-baselining the St. Elizabeths schedule with GSA indicate the potential for an additional increase of \$220 million (\$90 million DHS, \$130 million GSA) in cost escalation by extending the overall development schedule in excess of one year. The Mission Support Lease procurement will also be impacted with a \$22 million increase in escalation and higher lease costs for short-term extensions and holdovers.

Great progress is being made on the West Campus with construction of the future U.S. Coast Guard Headquarters well underway. Perimeter Security and utilities improvements have begun and renovation of the first four historic buildings for shared use campus functions has started. The region and the community are also beginning to see the benefits of the development with over 600 jobs on site, with one third being DC residents. New hires account for 116 of the 600 jobs on site and 63 of these have gone to the project's neighbors living in Ward 8. As construction continues to progress, these numbers will increase.

The DHS Headquarters Consolidation efforts and St. Elizabeths Campus will bring together the Department and Component leadership, operations coordination, program management and policy functions to enhance mission performance. The impact of these projects will support efficiency, sustainability, fiscal responsibility and streamline management across the Department.

Polar Icebreaking Responsibilities

Question: The budget transfers \$39 million and 180 FTEs from the National Science Foundation (NSF) for polar icebreaking, putting this activity back entirely back into the Coast Guard's budget. This is an item we have encouraged for a few years. While it is encouraging to have funding for icebreaking back in the Coast Guard's budget, the U.S. government appears not be able to make further reaching decisions on icebreaking. For example, we still do not have the high latitude study that outlines U.S. icebreaking roles and responsibilities in the Arctic and Antarctic. And, the 2012 budget includes \$5 million within the Under Secretary for Management's budget for an icebreaker management study; work that I would argue has already been done by multiple parties. This request seems to be implying that we will be studying icebreaking in perpetuity. Of note, it will take 8-10 years to build a new icebreaker at a cost of about \$1 billion if we decide this is necessary.

- Secretary Napolitano, it appears that DHS and the U.S. government are still unsure of its long term polar responsibilities. With the budget request for polar operations, are you saying that the United States' only interests in Arctic policy is scientific or is there a longer term plan to improve the Coast Guard's polar capabilities?

ANSWER: DHS continues to carry out its responsibilities under HSPD 66, which reflects the wide spectrum of U.S. interests in the Arctic. In the near term, scientific studies that help us understand current and future climate and environmental conditions are the key activities requiring icebreaker support in the Arctic and Antarctic. Recognizing that icebreakers may be required for other federal missions as the Arctic waters become more accessible, the President's FY 2012 request supports a comprehensive, government-wide determination of icebreaking needs, including operational and capital requirements. Additionally, the President's Budget reactivates CGC POLAR STAR to sustain prudent backup capability until long-term requirements decisions are made.

Real ID Deadline Extension

Question: On March 4th, the Federal Register will include notification that the Department is extending deadline for states to be compliant with the REAL ID Act by 18 months, until January 2013. To date, only 17 states are fully compliant. Others are partially compliant, and numerous states have laws prohibiting them from becoming compliant. The 2012 budget request includes no funding to help states become compliant with REAL ID. So basically we're buying more time but not providing additional money to help states become compliant.

- In your opinion, will every state become REAL ID compliant (after factoring out those that are statutorily prohibited from doing so)? How can they do so without continued grant funding?

ANSWER: The FY 2012 request, similar to the FY 2011 request, proposes to consolidate a number of individual grant programs (including grants for Driver's License Security/Real ID, Interoperable Emergency Communications, Emergency Operations Centers, Buses, Rural Domestic Preparedness and Counterterrorism Center) and make them part of the larger/broader grant programs such as Urban Areas Security Initiative (UASI) and State Homeland Security grants. This consolidation will increase overall funding for UASI and State Homeland Security grants while reducing the number of separate grant programs, which ultimately decreases the number of applications a state will need to submit. States may use funds provided through the State Homeland Security Grants Program to improve the security of their driver's license program.

State and Local Fusion Centers

Question: Madam Secretary, you recently told the nation's governors that the threat of "homegrown" terrorism increased during the past year and more U.S. citizens or legal residents are "becoming radicalized to the point of violence." Addressing this alarming trend relies on better information and coordination. That means sharing information among Federal agencies and state and local law enforcement, a key component of the DHS-sponsored Fusion Centers. But getting the best information on potential threats also relies on having good relationships with communities where individuals might be at risk of radicalization.

In the past DHS Fusion Centers and the Suspicious Activity Reporting Initiative have come under some criticism for their potential, in some people's view, of collecting information on innocent Americans and violating civil liberties. But, of course, gaining information and cooperation from the community relies on earning and keeping trust.

- Madam Secretary, how does the Department ensure that State and Local Fusion Centers, which are not technically supervised by Federal personnel, do not run afoul of civil liberties in a way that would compromise our ability to spot homegrown terrorists in certain communities?

ANSWER: While primary responsibility for protecting privacy, civil rights and civil liberties within fusion centers resides with the State authorities who operate them, DHS is committed to providing fusion centers with the tools and training they need in order to do so. Beginning in FY 2010, in order to receive federal grant funding, the Department required every fusion center to have completed and approved privacy policies to foster a culture that respects privacy, civil rights, and civil liberties through regular training and community engagement. Sixty-nine of the 72 fusion centers have finalized privacy policies that are at least as comprehensive as the Information Sharing Environment Privacy Guidelines in place and the rest are working diligently to meet the requirement.

DHS also offers a robust fusion center training program, in compliance with the requirements of Section 511(a) of the *Implementing Recommendations of the 9/11 Commission Act of 2007*. The Act requires the DHS Office for Civil Rights and Civil Liberties (CRCL) and the DHS Privacy Office (PRIV) to (1) provide training on privacy, civil rights, and civil liberties to all DHS officers or intelligence analysts before they deploy to state and major urban area fusion centers; and (2) support the training of fusion center personnel nationwide on these same issues.

Question: What type of guidance does the Department provide to local Fusion Centers to help them cultivate good community relations in the interest of protecting the public?

ANSWER: Over the past year, the Department of Homeland Security has been working closely with fusion centers to strengthen relationships with their local communities. Some of these initiatives include:

- The joint DHS/Department of Justice (DOJ) Fusion Process Technical Assistance Program developed a *Communications and Outreach Guidebook*, which was distributed to Fusion Center Directors in December 2010. This Guidebook provides best practices for cultivating relationships with fusion center customers, as well as external audiences including the public.
- The Department continues to strengthen its partnerships with key State and local law enforcement associations such as the National Governors Association, International Association of Chiefs of Police, National Sheriffs Association, and Major City Chiefs Association Intelligence Unit Commanders Group. The Department has helped build partnerships between the State and local law enforcement associations and the fusion centers in order to take advantage of existing relationships between law enforcement and the communities they serve.

In partnership with DOJ, the Department developed a Building Communities of Trust initiative focused on the relationships between police, fusion centers, and the communities they serve, particularly immigrant and minority communities. By fostering these relationships and building on the lessons of community policing, state and local law enforcement personnel are able to learn more about the community, making it possible for officers and analysts to better identify behaviors that could be indicative of criminal activity.

Non-Security Budget Freeze

Question: When President Obama released his 2012 budget, he announced that the Administration would reduce the deficit by \$1.1 trillion over the next decade. Two-thirds of that reduction would come from spending cuts through a five-year freeze in non-security discretionary spending, as well as savings to mandatory programs such as Medicare and lower interest payments on the debt that would result from the lower spending.

- Secretary Napolitano, the President has made clear his intent to freeze non-security-related discretionary spending for five years. It is possible to argue that some of the missions of some DHS components are not strictly related to security? Is natural disaster preparedness considered non-security spending? How about the training and equipping of first responders? Will we see frozen requests for some Department activities and components, and not others?

ANSWER: In the National Security Strategy (2010), President Obama made clear that the security and resilience of the United States itself is a central national security concern. In the Quadrennial Homeland Security Review Report (2010), DHS set forth a vision of a safe, secure, and resilient homeland, and five core homeland security missions that support that vision:

- Preventing Terrorism and Enhancing Security
- Securing and Managing our Borders
- Enforcing and Administering our Immigration Laws
- Safeguarding and Securing Cyberspace
- Ensuring Resilience to Disasters

During the FY 2012 budget process, DHS also identified a sixth mission of providing essential support to national and economic security operations led by other Federal departments and agencies but for which DHS provides essential support relating to safety, security, and resilience.

All of the missions of DHS components are directly related to ensuring a safe, secure, and resilient homeland and all DHS component activity relates directly the goals and objectives set forth in the six missions. Much like we did with the FY 2012 budget request, DHS will continue its commitment to fiscal discipline that maximizes the effectiveness of every security dollar we receive and will make difficult, risk-informed decisions about priorities in future year funding requests.

Question: What is your understanding of how this non-security budget freeze will impact the budget requests for the Department of Homeland Security in the longer term?

ANSWER: Much like we did with the FY 2012 budget request, DHS will continue its commitment to fiscal discipline that maximizes the effectiveness of every security dollar we receive and will make difficult, risk-informed decisions about priorities in future year funding requests

User Fees

Question: When President Obama released his first budget, he stated that aviation security passenger fee would be raised by 2012. However, no Congressional Committee has written legislation raising these fees and the airlines have come out strongly against such an increase.

The 2012 budget includes a General Provision giving the Secretary the authority to raise these fees by \$1.50. In total, a passenger will pay no more than \$4.00 per leg, with a maximum of \$8.00 one way and \$16.00 round trip. Assuming six months of collections in 2012, this fee increase will generate an additional \$590 million in revenues from a total collection of \$2.1 billion in 2010 to \$2.7 billion in 2012, and almost \$800 million thereafter (when the fees covers the entire fiscal year). Although proposed in the 2012 appropriations bill, this fee is under the jurisdiction of the Homeland Security Committee, who has opposed increases.

- Recognizing the failure of Congress to raise the aviation security fee in the past as well as opposition from the airlines and the Chairman of the House authorizing Committee, do you have any indication that the Homeland Security Committee will raise the aviation passenger security fee shortly? If not, how do you suggest we make up this shortfall in your 2012 budget request?

ANSWER: Secretary Napolitano and the Transportation Security Administration (TSA) continue to work with and encourage the Senate Commerce, Science and Transportation and the Homeland Security and Governmental Affairs Authorizing Committees by providing supporting data and looks for the support of this committee in adjusting the passenger fee.

The Security Fee was established following the September 11th attacks in 2001 to offset the costs of strengthening the nation's aviation security capacity, but it has not been adjusted for inflation or increased costs of providing security over the past nine years. The current statutory cap limits the Department's flexibility to sustain current security measures and adapt to emerging threats.

Despite Congress's original intent that the Security Fee covers nearly all costs related to passenger and property screening, the fee currently offsets less than a third of the total cost of aviation security. At the same time, costs of security have continued to increase. In 2000, it cost less than a dollar to screen each passenger. In FY 2010, the average cost for TSA to screen a passenger and baggage has increased to nearly \$9, in part to airline imposed checked baggage fees that have resulted in TSA screening 56 million additional carry-on bags at airport checkpoints annually. The Fiscal Commission's Co-Chairs' Proposal, *\$200 Billion in Illustrative Savings*, also recommends that airlines should help pay for the increased security and take on a responsibility for screening passengers, carry-on luggage and checked baggage. Additionally, the Congressional Budget Office's Budget Options, Volume 2 identifies increased user fees as one option to help fund aviation security.

I fully appreciate the constraints of the current fiscal environment, and it is precisely because of the current economic situation that I feel nothing should be left off the table to fund the Department's critical frontline operations. While airlines have increased fees across the board- from checked baggage and extra leg room to refreshments, we have never adjusted how we fund security measures to protect the traveling public.

I ask for your support of the Administration's proposal to ensure that we are able to continue the significant progress we have made in enhancing aviation security while fulfilling Congress' intent to do so in a fiscally responsible manner that does not penalize American taxpayers. I look forward to working with you on this matter in the coming months.

Question: The budget request assumes \$55 million in COBRA fees by lifting the exemptions in place for Canada, Mexico, and most of the Caribbean Islands, to pay for the costs for immigration and aviation processing fees. This is half year funding; the estimated savings for lifting the COBRA exemptions is \$110 million. DHS has proposed this fee adjustment as part of a larger fee reform package to the Ways and Means Committee for a few years but the authorizers have failed to act on this so far.

- Unless Ways and Means enacts COBRA fee reform, the \$55 million offset in your budget request to pay for CBP officers salaries is not real money. What would you propose to make up for this shortfall or would DHS not be able to hire the some or all of the 333 new CBP officers contained in your 2012 budget request?

ANSWER: The FY 2012 Budget request for \$55 million assumes mid-year enactment and would cover half of the proposed increase in fee collections to avoid creating a \$110 million hole. If Congress does not lift the exemption then CBP will reprioritize our FY 2012 resources to fund the affected activities.

The COBRA statute mandates that COBRA funding be prioritized in the following order:

1. All inspectional overtime
2. Premium Pay
3. Civil Service Retirement and Disability Fund (Agency Contribution)
4. Excess Preclearance

5. Foreign Language Proficiency Awards
6. Enhanced Equipment and Support (e.g.: officer salaries)

Acquisition Workforce

Question: In the fiscal year 2012 budget request, DHS has requested about \$24 million in funding to increase its acquisition workforce capacity by 150 positions. What functions will these new positions perform and how will the new positions help DHS address its acquisition management challenges?

ANSWER: The 150 positions represent the minimum number of positions required to start filling the gaps to ensure successful program execution, including risk mitigation. This number is based on a review conducted in FY-2010 of the major acquisition programs and acquisition oversight offices to identify gaps in the acquisition workforce. The results of the review and analysis identified more than 200 positions that needed to be filled. The initial funding request, identified in the FY 2011 budget, prior to the completion of the analysis requested 150 positions. Based on this number, 126 positions will be placed directly in to specific major acquisition program offices and 24 positions will reside in Component Acquisition Executive offices (component acquisition oversight offices and headquarters offices). DHS will continue reviewing and evaluating current professional education, training and experience. The results of this evaluation will indicate where additional personnel are required and their fields of expertise.

Highlights of the analysis include:

- There is a lack of engineering and logistics expertise across the Department
- There is an absence of Cost Analysts/Cost Estimators across the Department
- Interpretation of Component Acquisition Executive (CAE) core staff requirements vary by Component

Based on an analysis of the high risk programs identified by OMB, GAO and USM; programs in breach; and programs with upcoming acquisition decision events during FY2011, the report identified 93 positions for those program management offices. We have identified an additional 33 positions needed in other level one and two programs. Additionally, 24 positions are recommended for CAE staff offices and DHS Headquarters based on the core gap analysis and Component inputs.

The review assessed five core competencies that all major acquisition program offices should possess:

- **Program Management:** Acquisition professionals in the Program Management acquisition discipline are concerned with all of the functions of a program management office (PMO) or a program executive office (PEO). Program management professionals serve in a wide range of PMO and Component Acquisition Staff positions, including program integrators and analysts, program managers, PEOs, and their deputies. They may also serve in a number of support and management positions throughout the workforce.
- **Systems Engineering:** An Acquisition Program Systems Engineer demonstrates how systems engineering and technical management processes apply to acquisition programs; interacts with program Integrated Product Teams (IPTs) regarding the proper application of systems engineering processes; and develops systems models and work breakdown structures; uses top-down design and bottom-up product realization.
- **Acquisition Financial Management:** This career field encompasses all aspects of acquisition (business) and financial management. Financial Management is the planning, directing, monitoring, organizing and controlling of financial resources.
- **Life Cycle Logistics:** is defined as the planning, development, implementation and management of a comprehensive, affordable and effective systems support strategy. Life Cycle Logistics encompasses the entire system's life cycle including acquisition (design, develop, test, produce, and deploy),

sustainment (operations and support), and disposal. Life Cycle Logisticians perform a principal joint and/or Component logistics role during the acquisition, operational and disposal phases of the system life cycle.

- **Contracting Officer's Technical Representative (COTR):** a COTR is a business communications liaison between the United States Government and a private contractor. The COTR ensures that their goals are mutually beneficial. The COTR is responsible for recommending authorizing (or denying) actions and expenditures for both standard delivery orders and task orders, and those that fall outside of the normal business practices of its supporting contractors and sub-contractors.

For component oversight offices, three additional competencies were assessed:

- **Test and Evaluation (T&E) Managers** are engineers, scientists, operations research analysts, system analysts, computer scientists; and other degree-holding technical personnel who plan, perform, and manage T&E tasks in support of all acquisitions. Individuals in T&E positions are subject matter experts who will plan, monitor, manage, and conduct T&E of prototype, new, fielded, or modified IT, non-IT, and infrastructure systems.
- **Cost Analysts** lead teams in the analysis of data relevant to the system to be costed; development or evaluation of existing cost estimating relationships and mathematical models; analysis of results of models and other methods of developing costs, and development of summary data for presentation purposes; preparation of briefings to management in development of cost databases, parametric relationships, cost estimating software and documentation, and research reports.
- **Information Technology/Systems Architect** includes computer scientists, information technology management specialists, computer engineers, and telecommunications managers who directly support the acquisition of information technology. This may include hardware, software, or firmware products used to create, record, produce, store, retrieve process, transmit, disseminate, present, or display data or information. A Systems Architect is instrumental in providing an integrated framework for evolving or maintaining existing information technology (IT), acquiring new IT systems, or to achieve an agency's strategic and Information Resources Management (IRM) goals. The role of the IT Architect is to understand the program's current architecture as well as its future state architecture and to provide a transformation strategy to attain the future state.

Acquisition Review Process

Question: Given longstanding concerns about the implementation of the Department's acquisition review process and the record of cost, schedule, and performance issues with major acquisitions such as Deepwater and SBInet, to what extent has DHS addressed its acquisition management challenges and take action to strengthen its oversight over major investments?

ANSWER: Enhancing the enterprise-wide acquisition framework (e.g., procurement and program management) is a key part of the Department's enhanced integration strategy. In FY 2010, acquisition management represented nearly \$18 billion of the Department's \$55 billion budget. There are five enhanced integration initiatives within the acquisition management discipline. These initiatives address each of the proposed outcomes identified by GAO in their September 29, 2010 letter:

- Rationalize the requirements development process (structures/processes);
- Improve and streamline governance (structures);
- Solidify the Component Acquisition Executive (CAE) structure (structures);
- Enhance business intelligence (processes/systems); and
- Expand the Acquisition Corps concept and strengthen PM training (people).

Corrective Action Plans for each of these initiatives have been developed and we will track progress on these plans on a quarterly basis. The Department intends to implement many of the enhancement initiatives beginning in FY 2011.

Additionally, we took actions to strengthen acquisition management by implementing the finalized version of Management Directive 102-01, *Acquisition Management* (D 102-01). Among other things, it formalizes the role of the Acquisition Review Boards (ARBs) in the oversight and governance process, as it assesses a program's progress and determines the criteria for further execution. The implementation of this directive has resulted in productive interactions between program offices and Department leadership allowing us to mitigate or avoid unnecessary costs, review schedules and evaluate performance risks.

DHS has held 30 ARBs in FY 2009, 35 in FY 2010, and 11 to date in FY 2011. Additionally, at the Component level, oversight officials are establishing new acquisition executive positions to manage acquisition processes.

High Risk Areas Management

Question: GAO first designated implementing and transforming DHS as a high-risk area in 2003 because of the difficulty of transforming 22 disparate agencies into one department, and the failure to effectively address the Department's management challenges and program risks could have serious consequences for our homeland security as well as our economy. DHS has remained on GAO's high-risk list since 2003. To address this high-risk designation, among others, in January 2011 DHS issued an updated *Integrated Strategy for High Risk Management*, which details the Department's plans for addressing the high-risk area and resolving its management challenges. What, in your opinion, are the Department's key management challenges, how do you plan to address them, and how does the approach presented in the recent strategy differ from previous DHS efforts to address management challenges and GAO's high risk designation?

ANSWER: Mitigating risk and transforming the Department is one of my highest priorities. I am pleased that GAO has recognized that DHS is making progress to address its High Risk report. Soon after my arrival at the Department, I convened my senior leadership team to reinvigorate efforts to transform DHS into a more cohesive, well functioning Department and made it clear that integrating the Department's people, structures and processes to achieve the Department's mission goals is one of my top management priorities.

In January 2010, the Department issued an initial integration plan, which focused on seven management initiatives. In January 2011, the Department issued an enhanced plan, "*Integrated Strategy for High Risk Management*." The enhanced strategy was developed in collaboration with Headquarters and Component leadership and addresses many of the GAO's recommendations that have been unresolved since 2003.

Question: To what extent has the Department established milestones for implementing the actions identified in the strategy?

ANSWER: The aforementioned "*Integrated Strategy for High Risk Management*" plan, submitted to GAO in January 2011, contains detailed corrective action plans (CAPs), with milestones. These initiatives align to GAO's specified criteria for High Risk List removal.

These CAPs provide strategies to integrate and transform our structures, processes and people and the Under Secretary for Management (USM) has directed each line-of-business to track progress and provide quarterly status reports.

Question: What resources does DHS need to implement the strategy and will you have sufficient resources to address the Department's management challenges?

ANSWER: The President's FY 2012 Budget Request includes the resources DHS requires to address our management challenges in administrative services, financial management, human capital, information technology, procurement and departmental security.

Question: What challenges or obstacles will the Department face in implementing the strategy and addressing its management challenges in order to be removed from GAO's high-risk list?

ANSWER: Integrating the Department's people, structures and processes to achieve the Department's mission goals continues to be one of my top management priorities. The biggest challenge is to institute meaningful change without disrupting mission-critical operations.

The "*Integrated Strategy for High Risk Management*" plan, submitted to GAO in January 2011, addresses this challenge and contains detailed corrective action plans (CAPs), with milestones. These initiatives also align to GAO's specified criteria for High Risk List removal.

Workforce Rebalancing

Question: Given DHS's extensive reliance on contractors in pursuing mission and management goals, such as protecting federal facilities and supporting major acquisitions or investments, such as SBInet, what are the appropriate roles for contractors under the Department's new balanced workforce initiative, and how do you plan to ensure they are used properly in these roles?

ANSWER: The Balanced Workforce Strategy (BWS) is designed to ensure the Department has the appropriate mix of federal employees and contractors to fulfill our mission in a manner that is cost-effective and ensures appropriate federal oversight. DHS has designed and is currently utilizing a BWS Tool, which is an automated survey that leads a component official through the analysis process of the Department's contracts and mission needs, as a key element of our strategy to reduce expenditures on professional services contracts in order to more effectively and efficiently achieve our mission.

Question: How will you support the implementation of the Department's initiative to improve its balance among contractor and government employees, and what resources are needed to more effectively manage the balance between government and contract workers?

ANSWER: The BWS should be incorporated in the earliest stages of both the workforce and acquisition planning processes. By integrating the BWS into these planning processes, we will more efficiently and effectively balance our workforce between contractors and federal workers. Moreover, our increased focus on appropriate federal oversight of contracts will enable us to address possible mission risk while simultaneously ensuring the proper balance between the federal and contractor workforces. Further, the BWS Tool, an automated survey that leads a component official through the analysis process of the Department's contracts and mission needs, is a key element of our strategy to reduce expenditures on professional services contracts in order to more effectively and efficiently achieve our mission.

Additionally, the Department's FY 2012 budget request includes a \$106 million cut to professional services contracts across the Department, demonstrating our commitment to better managing contracts and ensuring the appropriate mix of personnel.

I will continue to work closely with the Under Secretary for Management and his staff to ensure we have the appropriate level of resources to manage both our federal and contractor workforces and the implementation of the BWS.

Financial Statements

Question: Since its establishment, DHS has been unable to obtain an unqualified or “clean” audit opinion on its financial statements. While progress has been made in eliminating deficiencies across the Department, for fiscal year 2010, the independent auditor identified six material weaknesses in DHS’s internal control over financial reporting. GAO has also reported that DHS’s financial management internal control weaknesses impede the Department from providing reliable, timely, and useful financial data to support daily operational decision making. What steps has DHS taken to get a clean audit opinion on its financial statements and how will the Department work with components, particularly the U.S. Coast Guard, to eliminate barriers to achieving this goal?

ANSWER: DHS has made significant progress improving internal controls over financial reporting. From FY 2005–2010, DHS has reduced the number of audit qualifications from 10 to 1 and Department-wide material weaknesses in internal controls over financial reporting by more than half. The number of Component conditions contributing to material weaknesses has gone from 25 to 9. We continue to work toward completing a full-scope audit on the financial statements, and I am personally committed to obtaining a qualified audit opinion on the Consolidated Balance Sheet and Statement of Custodial Activity in fiscal year 2011.

The Department’s Acting Chief Financial Officer (CFO) is actively engaged with senior management and staff at each Component, overseeing corrective actions to ensure continued progress. Management has developed a Balance Sheet Strategy document to outline material line items and management’s approach to ensure controls are in place to prevent and/or detect and correct material misstatements. As part of this strategy, management has solicited, coordinated, and incorporated initiatives, objectives, key strategies, and risks from multiple offices within the Department as well as the Components.

The Office of the CFO will continue to partner with the USCG to implement the corrective actions published in the USCG Financial Strategy for Transformation and Audit Readiness (FSTAR). These actions will allow USCG management to provide financial reporting representations on selected balance sheet line item balances as of September 30, 2011, to support our goal of obtaining a qualified balance sheet opinion in the near term.

Transformation and System Consolidation

Question: What is the current status of the Department’s program for consolidating its disparate financial management systems, known as the Transformation and Systems Consolidation (TASC) initiative?

ANSWER: The modernization of the Department’s financial, acquisition and asset systems remains a key priority for DHS. Over the past year, the TASC program has seen great progress: the Department awarded the Indefinite Delivery, Indefinite Quantity (IDIQ) contract and first task order, the first tangible steps in implementing the TASC solution within DHS. The Department established a TASC Executive Steering Committee, chaired by the Under Secretary for Management, to govern the program and promote the vision; and the Department created a unified TASC Program Management Office (PMO) comprised of staff members and detailees from the Federal Emergency Management Agency (FEMA) and Offices of the Chief Financial Officer (CFO), Chief Information Officer (CIO), Chief Procurement Officer (CPO), and Chief Administrative Officer (CAO) to manage and oversee the integrated financial, asset, and acquisition solution implementation.

On November 19, 2010 DHS issued a contract for the TASC program. However, on March 9, 2011 DHS received the decision from the GAO that while two protests to the TASC contract had been dismissed, one had been upheld. In light of the GAO ruling a stop work order was issued for the TASC IDIQ contract and for the first task order on that contract. We are currently assessing GAO’s findings and recommendations to determine the appropriate way forward.

Question: What challenges does DHS face in implementing TASC, and what actions will you take to ensure the success of this program?

ANSWER: See answer to the previous question.

Possible Interference with the Global Positioning System

Question: Reliable and consistent precision location from the national Global Positioning System is critical to the public safety response systems at all levels of government. This January, the Federal Communications Commission granted conditional approval for a company to build a new ground-based system of up to 40,000 high-power transmission towers across the nation for next-generation wireless internet access. That system would use part of the "L" band of the radio frequency spectrum, which is adjacent to the frequency used by the DOD Global Positioning Satellites and millions of federal, state, local government and commercial users.

I understand that some federal agencies have formally raised concerns about the potential for interference to the Global Positioning System (GPS) L1 band as a result of placing this new wireless system on the adjacent frequency. Could you tell us how this issue affects your Department? Could you indicate how this issue might impact state and local first responders to disasters and other emergencies? What plans does your Department have to participate in the unfolding process that FCC will use to resolve this issue of potential GPS interference?

ANSWER: The Department is participating with the National Space-Based Positioning, Navigation, and Timing Engineering Forum in the LightSquared interference testing. Some of the Department's direct activities include assisting in the identification of various GPS receivers to be tested in a chamber at White Sands Missile Range; and in the identification of various GPS subject-matter experts to serve on or support the engineering team conducting receiver tests, which are expected to deliver results by mid-June 2011.

DHS is also partnering with external agencies to evaluate the potential effects of GPS interference on other systems in the targeted band, such as the Inmarsat satellite network. The Department continues to work in collaboration with bodies such as the Emergency Communications Preparedness Center and the Interdepartmental Radio Advisory Committee (IRAC) to derive additional feedback from other Federal agencies and promulgate requests for information on this issue.

The Federal Communications Commission had conditioned the initial Lightsquared waiver based upon determination of the potential for interference to GPS. As part of this waiver the FCC required that a working group be set up to look at interference to GPS. The group is co-chaired by LightSquared and the U.S. GPS Industry council. Federal agencies are participating in this working group to conduct analysis of the LightSquared proposal and its potential impact upon established terrestrial networks. DHS has provided representation to this working group as part of the coordinated Federal analysis effort. This most recent request by Lightsquared and modification order proposes to allow terrestrial-only handset deployment that was not part of the initial request. This change must be evaluated to fully comprehend the potential impact in the frequency bands (targeted and adjacent). The FCC has stated that the waiver process will be complete once the Commission, after consultation with NTIA, concludes that the harmful interference concerns have been resolved and sends a letter to LightSquared stating that the process is complete.

Security Advisory Opinion Process

Question: As you know, the interagency Security Advisory Opinion (SAO) process was established to assist Department of State (DOS) consular officers in the adjudication of visa applications by individuals falling into five distinct categories of national security or foreign policy interest. In the course of my official travels, I have encountered concerns about the lack of discretion that consular officers have in determining whether to initiate an SAO request; the lengthy delays in visa processing that the process entails; and the diplomatic implications

of these delays, particularly for individuals invited to the United States through Department of State-sponsored exchange programs and foreign dignitaries visiting on official business.

In August 2009, my staff requested a briefing from the DHS Office of Policy about the SAO process, and at the time the briefers acknowledged that the Department recognized the potentially negative delays and was working to improve processing times. Specifically, DHS staff cited significant improvements in the processing times for the “Mantis” category of SAOs (for high-tech visa applicants) and a significant reduction in the backlog of “Donkey” SAOs (for potential security risks) pending for more than 30 days. Have these positive trends continued since 2009? Can you provide information about the average wait times and current number of applications pending for more than 30 days, across all SAO categories?

ANSWER: Since the August 2009 briefing received by your staff, DHS has coordinated with interagency stakeholders to address SAO wait times. The solutions piloted by DHS and the Department of State (DOS) in partnership with interagency stakeholders have successfully reduced wait times and the SAO backlog. Working closely with all interagency stakeholders, DHS and DOS have led an effort to further enhance the piloted solutions to address the recent backlog. These new enhancements are currently being evaluated and if validated, they will eliminate the backlog and will significantly reduce wait times. DHS respectfully defers to DOS for information regarding average wait times and number of applications pending for more than 30 days.

Question: In the August 2009 briefing, DHS staff also identified interagency coordination as a significant barrier to reducing SAO wait times, citing in particular the need for every agency involved in the SAO working group to affirmatively clear an individual’s name before a visa can be granted. What steps have been taken to improve interagency coordination in the SAO process? Is it your judgment that the current level of human and technological resources being deployed to the SAO program is sufficient? What changes to policy would permit the interagency coordination aspect of the SAO process to become more efficient? Please identify any hindrances to such changes in policy.

ANSWER: Since the August 2009 briefing received by your staff, DHS has coordinated closely with interagency stakeholders to address SAO wait times. Each agency’s participation in the SAO process is necessary to ensure the most efficient and comprehensive security screening is in place. The solutions piloted by DHS and DOS in partnership with interagency stakeholders have successfully reduced wait times and the SAO backlog. Working closely with all interagency stakeholders, DHS and DOS have led an effort to further enhance the piloted solutions to address the recent backlog. These new enhancements are currently being evaluated and if validated, they will eliminate the backlog and will significantly reduce wait times. The recent enhancements that have been made to SAO process have been carried out with existing human and technological resources. Interagency stakeholders will continue to carefully assess revisions that have been made to the SAO process, but no policy changes are necessary at this time.

Question: Are there additional steps that might be taken to improve coordination with U.S. Embassies overseas, such as an expedited or alternative processing process for individuals participating in DOS-sponsored programs? Has DHS considered, in conjunction with DOS, granting consular officers greater discretion over whether or not to initiate an SAO request?

ANSWER: DHS has been coordinating closely with DOS and interagency stakeholders to address SAO wait times. The solutions piloted by DHS and DOS in partnership with interagency stakeholders have successfully reduced wait times and the SAO backlog. Recent enhancements to the piloted solutions are currently being evaluated and if validated, they will eliminate the backlog and will significantly reduce wait times, alleviating any need for expedited or alternative processing. Mission critical visa cases may be expedited at any point in the process. It is important to note that DOS consular officers have full discretion to initiate an SAO for any visa case when they feel it is warranted, but that there are also mandatory SAOs for watchlist matches and other security related programs.

National Security Entry Exit Registration System

Question: As you know, the National Security Entry Exit Registration System (NSEERS) requires certain non-immigrant visa holders to undergo a special registration process upon their entry to, and exit from, the United States. During the course of my official travels, I have also encountered concerns about the lengthy wait times experienced by individuals subjected to the NSEERS process; the uncertainty surrounding the criteria used to flag NSEERS participants; and the diplomatic implications of the program, particularly for individuals invited to the United States through Department of State-sponsored exchange programs and foreign dignitaries visiting on official business.

Can you provide information about the average processing times experienced by NSEERS participants upon their arrival to U.S. ports of entry? What specific steps is DHS taking to improve NSEERS special registration times?

ANSWER: The Department of Homeland Security (DHS) will end the National Security Entry-Exit Registration System (NSEERS) registration process—a critical step forward in the Department’s ongoing efforts to eliminate redundancies, streamline the collection of data for citizens entering or exiting the United States, and enhance the capabilities of our security personnel working every day to secure our nation from the threats we face.

DHS published a notice in the Federal Register removing the list of countries whose nationals have been subject to National Security Entry-Exit Registration System (NSEERS) registration—effectively ending a costly and inefficient registration process that has become redundant as we have improved and expanded existing systems to now automatically and more effectively capture the same information that was being manually collected via NSEERS.

Since NSEERS was first implemented in 2002, our targeting abilities have evolved and we have implemented more robust, risk-based, and intelligence-driven targeting processes. When NSEERS was implemented, DHS received most of its information about an individual when he or she arrived at a port of entry. Today, DHS has the ability to obtain information about an individual before he or she departs for the United States. These and many other improvements to our information collection, sharing, and analysis capabilities have allowed us to better address current threats and reduce operational burdens—providing more integrated yet flexible options for screening individuals for potential ties to terrorism and transnational crime before they enter the United States.

Question: What level of coordination exists between DHS and the Department of State on the NSEERS process? Is there any mechanism through which DOS can request NSEERS waivers or expedited processing in the case of individuals invited to visit the United States through DOS-sponsored programs?

ANSWER: As previously stated, the Department of Homeland Security (DHS) will end the National Security Entry-Exit Registration System (NSEERS) registration process.

Question: In light of the significant enhancements in visa and traveler screening processes since NSEERS was instituted immediately following 9/11, including US-VISIT at consular posts and at entry points, SEVIS, mandatory API/PNR submissions, enhanced secondary processing capabilities, and other measures, is NSEERS still a necessary security layer?

ANSWER: As previously stated, the Department of Homeland Security (DHS) will end the National Security Entry-Exit Registration System (NSEERS) registration process.

QUESTIONS FOR THE RECORD SUBMITTED BY

THE HONORABLE John Carter

Secretary Napolitano

Committee on Appropriations-Subcommittee on Homeland Security

FY 2012 DHS Budget Request

March 2, 2011

National Domestic Preparedness Consortium (NDPC)

Question: The requested amount for the National Domestic Preparedness Consortium (NDPC) for FY12 is 35% below FY10 funding. For the past six years, Congress has had to raise funding for the NDPC to its authorized level for this critical national security program. From this reduction, it appears that the nation's preparedness, as well as our emergency responders, would suffer. For this reason, if you have not requested NDPC funding at the authorized level, can you tell us why you did not?

ANSWER: The FY 2012 President's Budget is consistent with the FY 2010 and FY 2011 proposals, and the resources requested are sufficient to meet training needs. States are assuming increased responsibility for awareness level, refresher, and sustainment training that will allow our institutional partners to focus resources on more advanced, specialized training consistent with their respective expertise. Furthermore, States are permitted to support hazard-specific training efforts with SHSP and UASI grant programs funds, both of which were increased in the FY 2012 budget request.

QUESTIONS FOR THE RECORD SUBMITTED BY

THE HONORABLE TOM LATHAM

Secretary Napolitano
Committee on Appropriations-Subcommittee on Homeland Security
FY 2012 DHS Budget Request
March 2, 2011

Border Search Authority

Question: There are those who say that Customs and Border Patrol no longer uses Border Search Authority to its fullest extent; as such much enforcement impact related to contraband shipments is lost. How do you define Border Search Authority today?

ANSWER: : All persons, baggage, conveyances, and merchandise arriving at and departing from the United States are subject to inspection and search by Customs and Border Protection (CBP) officers and Border Patrol Agents. Immigration and Customs Enforcement agents and U.S. Coast Guard officers who are also deemed customs officers have authority to exercise border search authority as well. Various laws authorize such searches, such as 19 U.S.C. § 482, § 1461, § 1496, § 1499, § 1581, and § 1582; 31 U.S.C. § 5317 (relating to currency and other monetary instruments); and 22 U.S.C. § 401 (relating to exports). A border search can take place at the actual border or at the functional equivalent of the border, such as at an airport where an international flight lands and during extended border searches.

Question: Can you tell me how border search authority is applied in today's border environment, how it has evolved over the years, and what new "rules of engagement", if any, apply today?

ANSWER: CBP uses various means to identify persons, baggage, conveyances and merchandise for further examination, including law enforcement data, intelligence, special operations, observational skills, behavior detection, and random compliance exams. CBP uses available data to identify high risk travelers and cargo for additional scrutiny. As data and analysis capabilities continue to improve, CBP's targeting ability to identify and interdict potential violations has also improved.

Question: For some time, Border Search Authority was used to stretch the 'elasticity' of the border for such purposes as monitoring controlled contraband deliveries. Does DHS still use Border Search Authority in that context and, if not, why not?

ANSWER: Yes, Customs and Border Protection and Immigration and Customs Enforcement, in close coordination and cooperation, continue to conduct controlled deliveries of all types of contraband and other such investigative activities as permitted by their border search authorities.

Corruption on Border

Question: Some of us have heard from various reliable sources, over time, that there continues to be a significant level of corruption among uniformed Customs and Border Patrol personnel on the Southwest Border. Do you consider this a significant problem, and do you believe that a majority of the "bad apples" are caught?

ANSWER: Maintaining the integrity of CBP's workforce is a top priority for CBP as well as the Department. CBP takes all allegations of corruption seriously and we will identify, investigate and prosecute those involved. The President's FY 2012 Budget requests resources to enhance CBP's polygraph program and ensure timely background and periodic reinvestigations as mandated by the Anti-Border Corruption Act of 2010 while maintaining all other aspects of CBP's integrity programs. The FY 2012 Budget request would also allow CBP to increase the number of investigators in the Office of Internal Affairs, further strengthening CBP's investigative efforts.

Question: I believe that there has been a long-standing rule among ICE Special Agent personnel that they cannot be hired to work in the same areas that are their hometown areas. On the other hand, CBP uniformed personnel can be hired and work in their hometown areas, I believe. If this is accurate, is this not a flawed policy based on the corruption issue and, if not, why not?

ANSWER: Maintaining the integrity of the workforce is a top priority for the Department. ICE's Office of Professional Responsibility (OPR) investigates allegations of criminal and serious misconduct, including mismanagement and alleged corruption by ICE and CBP employees. Additionally, OPR conducts field delivered integrity trainings to ICE employees in order to educate employees regarding standards of integrity.

OPR is also responsible for managing the personnel security and suitability program for ICE. This program entails adjudicating ICE background investigations. In addition, OPR issues ICE security clearances and screens potential ICE employees and contractors for character and suitability, both prior to employment and through periodic reinvestigations.

Neither ICE nor CBP has a policy or rule prohibiting new hires from working in their hometown areas. Both ICE and CBP assign personnel to locations based on the latest risk analyses, strategic planning, and mission requirements.

DHS takes all allegations of corruption seriously and we will identify, investigate and prosecute those involved. The FY 2012 budget request provides resources to enhance CBP's polygraph program and ensure timely background and periodic reinvestigations as mandated by the Anti-Border Corruption Act of 2010 while maintaining all other aspects of CBP's integrity programs. The FY 2012 budget request also allows CBP to increase the number of investigators in its Office of Internal Affairs, further strengthening CBP's investigative efforts.

Alien Smuggling

Question: As you know, alien smuggling on the Southwest Border continues to be a significant problem. GAO has made recommendations to DHS which would, or could, aid in the investigations of alien smuggling. From what I can tell, it is still somewhat unclear as to how much progress has been made in implementing the recommendations. Recognizing that you don't want to disclose any specifics in an open forum, can you give me a general idea about the enhancements you have made in this category of enforcement over the last year?

ANSWER: The answer to the question is Law Enforcement Sensitive and will be transmitted under separate cover.

QUESTIONS FOR THE RECORD SUBMITTED BY

THE HONORABLE Charles W. Dent

Secretary Napolitano
Committee on Appropriations-Subcommittee on Homeland Security
FY 2012 DHS Budget Request
March 2, 2011

SBIInet

Question: Your announcement of January 14 ended the SBIInet program, yet it endorsed the "Integrated Fixed Towers" that are the heart of SBIInet and indicated the Department intended to buy 52 more integrated fixed towers for Arizona, on top of the 15 that are already there. These additional towers are for some of the most problematical areas, but you postponed the purchase of these towers until FY 2012 and delivery isn't expected until Jan-Mar 2013. Why don't we move ahead aggressively and build towers now?

ANSWER: The new border security technology plan will utilize existing, proven technology tailored to the distinct terrain and population density of each border region, including commercially available Mobile Surveillance Systems, Unmanned Aircraft Systems, thermal imaging devices, and tower-based Remote Video Surveillance Systems. Where appropriate, this plan will also incorporate already existing elements of the former SBIInet program that have proven successful, such as stationary radar and infrared and optical sensor towers. We used our FY 2011 funding to procure the highest priority technologies and are proceeding with procurements in the order in which they have been prioritized by the Border Patrol. Overall, the plan will result in faster deployment of technology and better linkage between operations and technology, complementing the Administration's unprecedented investments in manpower, infrastructure and resources to secure the Southwest Border.

TSA – Screening Partnership Program

Question: TSA Administrator Pistole recently announced that he was not going to expand the Screening Partnership Program (SPP). Why was this decision made?

ANSWER: Shortly after being confirmed, Administrator Pistole conducted a review of TSA's policies and programs with the goal of helping the agency evolve into a more agile, high-performing organization that can meet the security threats of today and the future. As part of this overall agency review, Administrator Pistole examined the contractor screening program and decided to continue privatized screening operations at the current 16 airports, but not to expand the privatized screening program beyond the current size. TSA is open to new, innovative ideas to manage operations more efficiently, while maintaining our high standards and meeting the threats of today and the future. TSA is developing a new application process to incorporate the Administrator's vision for the Agency and requesting airport applicants to present a compelling business case for why TSA should accept them into the Screening Partnership Program. If a situation arises where utilizing SPP could be beneficial, the administrator may consider expanding the program.

TSA - Screening Passengers by Observation Techniques

Question: When will DHS be providing an independent evaluation of the Screening Passengers by Observation Techniques' (SPOT) methodologies and effectiveness? Should additional funding be allocated to the program prior to its evaluation? Why?

ANSWER: SPOT builds on and is based on other established, successful behavioral analysis programs that have been employed by law enforcement and security personnel both in the U.S. and around the world. The Department of Homeland Security's (DHS) Science and Technology Directorate (S&T) is leading a comprehensive study to validate the screening accuracy of the Transportation Security Administration's (TSA) SPOT program. Data collection was completed by TSA in late 2010 and provided to the American Institutes for Research for analysis and reporting. The validation study report is scheduled to be delivered to DHS S&T on April 15, 2011. It will then have to be approved through their approval process before final delivery to TSA. DHS S&T is scheduled to testify before the House Science, Space, and Technology Committee, Subcommittee on Investigations and Oversight on this topic on April 6th. Preliminary briefings on the validation study data indicated that SPOT produced significantly greater results than random selection, well above the standard to be considered statistically significant.

TSA believes additional funding for SPOT should be allocated consistent with the President's FY 2012 budget request, which contains \$263.9 million to support Behavior Detection Officers, including 350 new positions for deployment to airports, providing a non-intrusive means of identifying individuals who may pose a risk of terrorism or criminal activity. Additionally, TSA's risk analysis of SPOT indicates that the program can be effective in multiple threat scenarios and expanding the SPOT program increases TSA's ability to adapt to the evolving threat. S&T completed an authoritative analysis on suicide bomber and terrorist indicators in July 2009. DHS S&T further compared these indicators against criminal indicators. The indicators, whether terrorist, suicide bomber, or criminal are essentially the same. Lastly, these indicators, when compared to the SPOT indicator criteria show a very high correlation that illustrates a very high degree of overlap between operationally reported suicide bomber/terrorist indicators and TSA SPOT behaviors. As such, SPOT represents the best practices from defense, intelligence, and law enforcement organizations.

TSA – Baggage Screening Systems

Question: Are you aware of Department cost savings when comparing TSA airport personnel costs with the price of a new baggage screen system?

ANSWER: TSA has received mandates to expedite the installation and use of in-line baggage screening equipment. These mandates are included in the Century of Aviation Reauthorization Act (P.L. 108-176), which established the Aviation Security Capital Fund, and the Intelligence Reform and Terrorism Prevention Act of 2004 as well as annual appropriations bills.

During FY 2011, TSA expects to complete in-line baggage screening systems that required the investment of approximately \$152 million to purchase and install Explosive Detection System (EDS) units which are generally expected to have a useful life averaging ten years. Additionally, TSA provided approximately \$275 million to airports to modify their facilities in order to accommodate these in-line systems. TSA estimates that the systems will result in annual savings of approximately 165 FTE (\$10 million) beginning in FY 2012.

Question: Please detail the current plan and framework for updating baggage screening systems in airports across the country.

ANSWER: TSA is committed to the recapitalization and deployment of state-of-the-art explosive detection systems for checked baggage to efficiently screen baggage for explosives, reducing the number of re-scans and physical bag searches. The TSA's Electronic Baggage Screening Program (EBSP), which includes Explosives

Detection Systems (EDS) and Explosive Trace Detection, is a mixed-lifecycle acquisition program working towards optimal screening solutions for checked baggage inspection systems at airports across the country.

The FY 2012 budget request also proposes to permit TSA the use of fees collected in the Aviation Security Capital Fund for the purchase and installation of EDS equipment.

For machines not recapitalized in the short term, efforts are underway to upgrade the systems to meet TSA's evolving detection standards.

QUESTIONS FOR THE RECORD SUBMITTED BY

THE HONORABLE Nita M. Lowey

Secretary Napolitano
Committee on Appropriations-Subcommittee on Homeland Security
FY 2012 DHS Budget Request
March 2, 2011

Air Cargo Screening

Question: What is the status of implementing 100 percent screening on all cargo on passenger aircraft? And on all air cargo in general?

ANSWER: The Transportation Security Administration (TSA) met the 100 percent air cargo screening provision of the 9/11 Act in August 2010 for flights departing U.S. airports. Today, 100 percent of high risk cargo on international flights bound for the United States is prohibited from being transported on passenger aircraft and goes through enhanced security procedures before being shipped on all cargo aircraft. DHS and TSA recently announced a proposed deadline of December 31, 2011 for industry to screen 100 percent of air cargo on international inbound passenger aircraft—two years earlier than previously anticipated. DHS is also working closely with industry and international partners to expedite the receipt of advanced cargo data for international flights to the United States prior to departure in order to identify and screen items based on risk and current intelligence before they are airborne. In December 2010, CBP, TSA, and the air cargo industry launched a new joint technology pilot project to enhance the sharing of electronic shipping information to improve the identification of high-risk shipments. Further, in January, I announced a new partnership with the World Customs Organization to enlist other nations, international bodies and the private sector in increasing the security of the global supply chain—outlining a series of new initiatives to make the system stronger, smarter and more resilient.

Question: What nations are not being cooperative as you seek to implement better cargo screening procedures?

ANSWER: The Transportation Security Administration (TSA) is working with its international partners to strengthen global air cargo security standards and promote supply chain security practices through bilateral and multilateral agreements with foreign governments and regional associations and participation in efforts led by international organizations, including the International Civil Aviation Organization (ICAO).

Interoperability Grants

Question: Can you identify the gains state and local governments have made in increasing first responder communications capabilities to justify eliminating the Interoperability Grant program in your budget request?

ANSWER: State and local governments have used Interoperable Emergency Communications Grant Program (IECGP) awards to fund Statewide Interoperability Coordinators, develop Statewide Communication Interoperability Plans and periodic updates, and meet the strategic goals of the National Emergency Communications Plan. The State Homeland Security Program allows for funding of similar efforts to promote interoperability; therefore, the FY 2012 President's Budget proposes to consolidate IECGP into the broader grant program in order to maximize the ability of state decision-makers to set priorities and to reduce the administrative burden associated with applying for and managing numerous individual grants.

Advanced Imaging Technology

Question: What progress is being made to ensure that every terminal at our most travelled airports have the latest screening technology operational, including AIT machines?

ANSWER: TSA is committed to strengthening aviation security through the development of intelligence-driven, risk-based screening protocols. The deployment of Advanced Imaging Technology (AIT) units is an important aspect of this effort. To date, TSA has deployed 486 AIT units to 78 airports across the nation and continues to identify additional airports based on risk, readiness, and operational suitability- pending a FY 2011 appropriation. Planned deployments in the President's FY 2011 and FY 2012 budget requests will extend coverage so that approximately 80 percent of domestic air passengers could be screened by an AIT.

TSA uses multiple layers of security to protect the traveling public and the Nation's transportation system. In addition to AIT, other layers include intelligence gathering and analysis, checking passenger manifests against watch lists, random canine team searches at airports, Federal Air Marshals, Federal Flight Deck Officers and security measures both seen and unseen.

Intelligence Sharing

Question: What has the Intelligence Community learned since the breakdowns related to Umar Farouk Abdulmutallab, Faizal Shazad and last year's air cargo scare to better coordinate and share information?

ANSWER: The sharing of information between DHS and the IC has improved significantly since the December 25, 2009, attempted terrorist attack on Northwest Flight 253. Enhanced internal DHS threat coordination functions as well as strengthened partnerships with the FBI and NCTC, have contributed to an institutional and interagency environment that encourages information sharing to take place.

Information sharing and coordination between DHS and the IC is improving through the DHS Threat Task Force (DTTF), a small, select group of analysts with representation from across the Department and access to data at both the classified and unclassified levels. Using DHS data sets, the DTTF generates lead information for dissemination to the IC and supports DHS Component operations. The DTTF has leveraged the strength of the entire DHS Intelligence Enterprise to inform DHS operational decisions in response to evolving threat information, as well as provided DHS leadership visibility into the full extent of DHS support to FBI field investigations.

Additionally, in 2010, DHS in conjunction with the FBI, launched the Watchlist Service, a computerized system that facilitates the transmission of data from the Terrorist Screening Database, operated by the FBI's Terrorist Screening Center, to DHS in real time. In addition to bolstering security, this system also achieves efficiencies by creating a centralized service for transmitting information to DHS instead of maintaining separate connections to multiple DHS offices.

QUESTIONS FOR THE RECORD SUBMITTED BY

THE HONORABLE Lucille Roybal-Allard

Secretary Janet Napolitano
Committee on Appropriations-Subcommittee on Homeland Security
FY 2012 DHS Budget Request
March 2, 2011

State Immigration Laws

Question: Following Arizona's example, a host of other states may soon pass harsh anti-immigrant laws in the mold of SB 1070. While I share the sense of frustration over our failure to enact comprehensive immigration reform, I'm concerned about this state-by-state approach which does not resolve our national immigration challenges. What would be the impact of a patchwork of conflicting state immigration statutes on your Department's efforts to enforce federal immigration law?

ANSWER: As the President has stated, our broken immigration system can only be fixed through a comprehensive solution that strengthens border security, modernizes our immigration laws and enforcement mechanisms, and sensibly and pragmatically deals with those who are already here.

As the Supreme Court has recognized, the authority to control immigration is vested exclusively in the Federal government. A patchwork system in which states create different restrictions and penalties based on immigration status will make enforcing the nation's immigration laws in a consistent and effective manner much more difficult and inefficient.

Engaging with the Muslim Community

Question: I am concerned by recent efforts to single-out American Muslims by questioning their patriotism. According to a recent UNC study, since September 11th, the American Muslim community has been the "largest single source of tips" on potential terror plots. Sheriff Lee Baca from Los Angeles has also said that positive relationships with the Muslim community are critical to the fight against terrorism. Do you agree?

ANSWER: The fact that Al Qaeda and its allies are targeting American Muslim communities for recruitment makes it critical that DHS and the rest of the Federal Government partner with those communities to counter violent extremism. We are working to mitigate the factors that may lead to violent extremism by identifying and conducting outreach to communities in which an element of the population may be at risk for recruitment by terrorist organizations or radicalization. We are directly engaging with these communities by holding regular regional discussions with law enforcement, religious organizations, and community groups in a number of cities to discuss how to best confront radicalization in their communities.

Question: What efforts have you undertaken to engage with the Muslim community?

ANSWER: Engagement with American Muslim communities happens across the Department. Our engagement efforts in this area are led by the DHS Office for Civil Rights and Civil Liberties (CRCL), whose Community Engagement Section responds to community civil rights concerns and provides information on DHS programs, activities, and issues by building trust and establishing a routine process for communication and

coordination with diverse community leaders and organizations. Regular roundtables bringing together DHS officials with community leaders, including American Arab and Muslim leaders, are currently held in nine metropolitan areas: Washington, DC; Chicago, IL; Los Angeles, CA; Boston, MA; Detroit, MI; Columbus, OH; Seattle, WA; Atlanta, GA; and Minneapolis, MN. In addition, CRCL sponsors dozens of townhalls and engagement events across the country. In recent months, CRCL has sponsored events in Dallas, TX; San Antonio, TX; Albuquerque, NM; Tucson, AZ; Cleveland, OH; Portland, ME; Raleigh, NC; Fremont, CA; San Diego, CA; San Jose, CA; Portland, OR; New York City; Hartford, CT; Tampa, FL; and Kingston, RI. All told, CRCL participates in well over 100 community events each year involving Muslim communities, providing information, addressing concerns, and promoting avenues to address grievances. In addition, CRCL has sponsored several youth summits with young American Muslim leaders.

Other efforts that supplement the regular roundtable events include an incident community coordination team to facilitate rapid federal government official engagement with American Arab, Muslim, Sikh, South Asian, Middle Eastern, and Somali community leaders in the aftermath of relevant homeland security incidents. CRCL coordinates the calls, which include representatives from all relevant DHS offices, as well as partners at the White House Office of Public Engagement, the DOJ Civil Rights Division, the FBI, the National Counterterrorism Center (NCTC), and the Department of State, as appropriate.

Other offices have also undertaken sustained engagement efforts. For example, the Homeland Security Advisory Council (HSAC) coordinated a series of stakeholder meetings regarding the CVE working group recommendations in coordination with DOJ. The series of regional summits/meetings began in the fall of 2010 with state and local law enforcement, government, and community leaders to discuss successful community-oriented policing and other crime reduction programs. Meetings have been held in: Los Angeles, CA; Dearborn, MI; Chicago, IL; and Minneapolis, MN.

In addition, the U.S. Citizenship and Immigration Services Office of Citizenship, which provides federal leadership with the tools and resources to proactively foster immigrant integration and vested citizenship, pursues engagement with many immigrant communities, including Muslim immigrant communities. Specific initiatives include:

- Developing educational products, training and outreach initiatives, and online resources that help immigrants pursue citizenship.
- Providing community-based organizations and other integration stakeholders with tools and resources to expand citizenship-related services in communities and promote integration and social cohesion.
- Supporting the Domestic Policy Council-led interagency working group on the Federal role of immigrant integration, primarily by developing recommendations to strengthen Federal support of immigrant civic and community engagement.

Question: Can you explain the importance of not alienating Muslim Americans to preventing terror attacks?

ANSWER: Our basic approach to domestic violent extremism recognizes that homeland security begins with hometown security. All Americans play a role in ensuring our security, and the communities whose young people are targeted by terrorist recruiters are best placed to recognize the threat and push back. We are working to mitigate the factors that may lead to violent extremism by identifying and conducting outreach to communities in which an element of the population may be at risk for recruitment by terrorist organizations or radicalization. We are directly engaging with these communities by holding regular regional discussions with law enforcement, religious organizations, and community groups in a number of cities to discuss how to best confront radicalization in their communities.

QUESTIONS FOR THE RECORD SUBMITTED BY

THE HONORABLE John W. Olver

Sec. Janet Napolitano
Committee on Appropriations-Subcommittee on Homeland Security
FY 2012 DHS Budget Request
March 2, 2011

Immigration Reform

Question: I have heard stories from individuals in my district -- young men and women who were brought to this country when they were children or even infants. Who were raised thinking they were American citizens, only to discover the truth when they tried to obtain a driver's license or apply for college. One of these young women was able to adjust her status and is now a full American citizen. As a citizen, she is allowed to apply for adjustment of status for her parents, but not for her younger brother. Is there any hope for individuals like this young man?

ANSWER: Without more of the facts and circumstances of the particular situation described, it is difficult to provide specific information.

This is one of the many examples why Congress needs to take up reforms to our immigration system to address long-standing, systemic problems with our immigration laws. President Obama is firm in his commitment to advancing comprehensive immigration reform, and I'm personally looking forward to working with Congress to move the ball forward.

WEDNESDAY, MARCH 9, 2011.

U.S. CUSTOMS AND BORDER PROTECTION

WITNESS

ALAN BERSIN, COMMISSIONER, U.S. CUSTOMS AND BORDER PROTECTION

OPENING STATEMENT: CHAIRMAN ADERHOLT

Mr. ADERHOLT. The hearing is called to order.

This morning we welcome Alan Bersin, Commissioner of U.S. Customs and Border Protection, as we consider the President's fiscal year 2012 budget request to secure our borders and facilitate lawful travel and trade. Commissioner, we thank you for being here, and we look forward to hearing your testimony this morning.

CBP has experienced dramatic growth in the past 8 years. Today it is the largest agency within the Department of Homeland Security, with a budget of \$11.8 billion and a workforce of nearly 60,000. Given the significance of CBP's mission to our Nation's security and prosperity, and considering the continuing threats we face, Congress has certainly provided robust resources. Going forward, we expect to see results for those investments.

Commissioner, at a time of financial crisis, the American people are demanding responsible budgets and accountability for every dollar spent. That is why I am pleased to see your budget pledges to cut costs and put a priority on frontline operations. As I said before, these are also priorities of this Subcommittee.

I am, however, concerned that the President's request for CBP includes undefined efficiencies and administrative savings that will likely impact operations. For example, the request cuts \$60 million from air and marine personnel and assets which will likely reduce surveillance of the Southwest border. It also reduces overtime flexibility for CBP officers by \$20 million that will likely increase wait times at ports of entry. I am not convinced that this request stabilizes CBP's budget to sustain the workforce, much less support investments in technology, infrastructure, and assets needed to meet the mission.

Commissioner, during this time of fiscal crisis, there are two things we need: truth in budgeting and clear results. First, let's tackle truth in budgeting.

Those so-called efficiencies and savings I mentioned earlier, in addition to program reductions, account for \$330 million. While some proposals represent real savings, the rest are merely budget fiction. Operations will suffer and true needs will be deferred.

The President's request also proposed a hypothetical increase to customs user fees of \$55 million for fiscal year 2012. Authorizing legislation would be needed to require passengers entering the U.S. from Canada and Mexico to pay the fee. If not enacted, history tells

us these changes are difficult to enact, CBP will likely expect this Subcommittee to fill that \$55 million hole.

The second thing we need is results, a clear understanding of how your request supports operational needs. The United States invested billions in Southwest border operations in recent years across law enforcement agencies but, in particular, in CBP. We are scheduled to hear from Field Operations and Border Patrol next week on detailed operations; but today, Commissioner, I look forward to having a clear understanding of how you will define operational control of the border and your plan to get there.

Equally significant, this Subcommittee is particularly pleased to have the esteemed Mr. Price. He has invested in CBP's strategy to push out the border, and I would like to hear how this request supports CBP's overseas operations to secure trade and travel to the United States.

The American public demands straightforward answers to our border security efforts. Truth in budgeting and transparency with respect to operational needs are essential in this fiscal climate. I appreciate you appearing before us today, before this Subcommittee, and thank you in advance for your candor in helping us to understand CBP's budget request for fiscal year 2012.

At this point, I would like to recognize the Subcommittee's distinguished Ranking Member, the former Chairman of this Committee, Mr. Price, for his opening remarks.

[The information follows:]

**The Honorable Robert Aderholt
Committee on Appropriations
Subcommittee on Homeland Security**

Opening Statement:

FY 2012 Budget

**Witness:
Commissioner Bersin**

9:30 AM | Wednesday | March 9, 2011 | B-318 RHOB

Hearing is called to order [*gentle strike of gavel*] –

This morning we welcome Alan Bersin, Commissioner of U.S. Customs and Border Protection (or, CBP), as we consider the President's FY12 Budget Request to secure our borders and facilitate lawful travel and trade. Commissioner, we thank you for being here and look forward to hearing your testimony.

CBP has experienced dramatic growth in the past eight years. Today, it is the largest agency within DHS – with a budget of \$11.8 billion dollars and a workforce of nearly 60,000. Given the significance of CBP's mission to our nation's security and prosperity and considering the continuing threats we face, Congress has certainly provided robust resources. Going forward, we expect to see results for those investments.

⇒ Commissioner, in a time of fiscal crisis, the American people are demanding responsible budgets and accountability for every dollar spent.

And that's why I am pleased to see your budget pledges to cut costs and prioritize frontline operations – as I've said before, these are also the priorities of this Subcommittee. I am, however, concerned that the President's request for CBP includes undefined efficiencies and administrative savings that will likely impact operations.

For example, the request cuts -\$60 million dollars from Air & Marine personnel and assets which will likely reduce surveillance of the Southwest Border. It also reduces overtime flexibility for CBP officers by -\$20 million dollars that will likely increase wait times at ports of entry. I am not convinced this request stabilizes CBP's budget to sustain the workforce much less support investments in technology, infrastructure, and assets needed to meet the mission.

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The President's request also proposed a hypothetical increase to Customs user fee revenues of \$55 million dollars in FY12. Authorizing legislation would be needed to require passengers entering the U.S. from Canada and Mexico to pay the fee. If not enacted, and history tells us these changes are difficult to enact, CBP will likely expect this Subcommittee to fill the \$55 million dollar hole.

The second thing we need is results – a clear understanding of how your request supports operational needs. The United States has invested billions in Southwest border operations in recent years across law enforcement agencies, but particularly in CBP. We will hear from Field Operations and Border Patrol next week on detailed operations. But today, Commissioner, I look forward to having a clear understanding of how you define operational control of the border and your plan to get there.

Equally significant, this Subcommittee, particularly the esteemed former Chairman, Mr. Price, has invested in CBP's strategy to push out

the border. I would like to hear how this request supports CBP's overseas operations to secure trade and travel to the U.S.

Commissioner, the American public demands straightforward answers on our border security efforts – truth in budgeting and transparency with respect to operational needs are essential in this fiscal climate. I appreciate you appearing before us today and thank you in advance for your candor in helping us understand CBP's budget request for FY12.

I would like to now recognize the Subcommittee's distinguished Ranking Member, Mr. Price, for his opening remarks.

OPENING STATEMENT: RANKING MEMBER PRICE

Mr. PRICE. Thank you, Mr. Chairman. And I will be very brief because I know with the joint session we are going to be pressed for time. So let me just welcome you, Commissioner, and make a couple of brief comments.

Over the past few years, the size and assets of CBP have grown substantially. Since 2006, just five years ago, the number of Border Patrol agents who patrol the Mexican and Canadian borders and the coastal waters surrounding Florida and Puerto Rico has grown by 70 percent; from 12,349 to 21,370 Border Patrol agents funded in 2012.

Meanwhile, the number of CBP officers has grown by 18 percent to more than 21,186 officers funded in 2012, largely to enhance Southwest Border port-of-entry operations. Your 2012 budget request reflects your heavy reliance on people for all of our activities, with over two-thirds of the request funding salaries and benefits alone.

From 2010 to 2012, salaries and benefits grew by \$1.1 billion. This leaves very few dollars to invest in new technologies and tools for your personnel and to conduct maintenance on your facilities. Moreover, during this time of fiscal restraint, you most likely will be asked to do more with less. We need to make sure that in doing so, critical operations are not negatively affected.

Commissioner, your agency carries on one of the core functions of DHS: keeping dangerous goods and people out of the country while facilitating lawful cross-border movement. Accomplishing that task in an ever-changing threat environment requires an agency that is flexible and forward leaning, making good use of intelligence, preferably intercepting threats before they reach our borders.

A good example of that approach, I believe, is the Immigration Advisory Program, which places CBP officers in foreign airports to stop potential terrorists from boarding flights to the U.S. I commend you on the progress of that initiative, and am pleased to note the expansion of this program in your budget request, along with additional funds to improve our targeting capabilities.

Recognizing the staffing needs at our ports of entry, I am also glad you proposed 300 new CBP officers and new canine teams. And I want to call attention to your efforts in the critically important area of officer integrity. Specifically, you propose \$26 million to enhance CBP's polygraph program and to conduct timely background investigations.

I do have some concerns about what is missing from this request. There is no new funding for air cargo security, even though CBP informally asked this Subcommittee to provide additional resources after the attempted air cargo bombing plot out of Yemen last fall. The budget substantially reduces funding to your facilities, delaying maintenance and repairs and alterations. It reduces air and marine programs, which your own budget brief says, "will reduce the ability to safely and effectively transport personnel and equipment in support of border security missions." And, finally, the budget contains changes in maritime container security efforts that seem to be at odds with what both the Secretary and CBP have

been proposing for the last few years. I look forward to discussing each of these in detail during the hearing today.

Commissioner, we hold the men and women of CBP in the highest regard. We place great value in the work they and you do, day in and day out. Many operate in many dangerous areas, and they put their lives on the line to protect us. I know we are going to discuss this in more detail next week at our hearing on Southwest border violence.

As we begin this hearing to more closely examine your 2012 budget, it is important to note that no program or account will be off limits to scrutiny. Our obligation is to take a balanced realistic approach, to weigh risks carefully, and to make prudent investments. Commissioner, I have no doubt that you share this point of view. I look forward to working with you again this year. Thank you.

Thank you, Mr. Chairman.

Mr. ADERHOLT. Thank you, Mr. Price.

[The information follows:]

Opening Statement of Ranking Member David Price

Fiscal Year 2012 Budget Hearing for Customs and Border Protection

March 9, 2011

Commissioner Bersin, I welcome you back to the Subcommittee as you present your budget request for fiscal year 2012.

Over the past few years, the size and assets of CBP have grown substantially. Since 2006—just five years ago—the number of Border Patrol agents who patrol the Mexican and Canadian borders and the coastal waters surrounding Florida and Puerto Rico has grown by 70 percent, from 12,349 to 21,370 Border Patrol agents funded in 2012. Meanwhile, the number of CBP officers has grown by 18 percent to more than 21,186 officers funded in 2012, largely to enhance Southwest Border port of entry operations. Your 2012 budget request reflects your heavy reliance on people for all of your activities, with over two-thirds of the request funding salaries and benefits alone. From 2010 to 2012, salaries and benefits grew by \$1.1 billion. Consequently, this leaves very few dollars to invest in new technologies and tools for your personnel, and to conduct maintenance on your facilities. Moreover, during this time of fiscal restraint, you most likely will be asked to do more with less. We need to make sure that in doing so, critical operations are not negatively affected.

Commissioner Bersin, your agency carries out one of the core functions of DHS — keeping dangerous goods and people out of our country while facilitating lawful cross-border movement. Accomplishing that task in an ever-changing threat environment requires an agency that is flexible and forward-leaning—making good use of intelligence and preferably intercepting threats before they reach our borders. A good example of that approach is the Immigration Advisory Program, which places CBP officers in foreign airports to stop potential terrorists from boarding flights to the U.S. I commend you on progress on this initiative and am pleased to note the expansion of this program in your budget request, along with additional funds to improve our targeting capabilities. Recognizing the staffing needs at our ports-of-entry, I'm also glad you're proposing 300 new CBP officers and new canine teams. And I want to call attention to your efforts in the critically important area of officer integrity. Specifically, you've proposed \$26 million to enhance CBP's polygraph program and conduct timely background investigations.

I also have some concerns about what is missing from this request. There is no new funding for air cargo security even though CBP informally asked this Committee to provide additional resources after the attempted air cargo bombing plot out of Yemen last fall. The budget substantially reduces funding to your facilities, delaying maintenance, repairs and alterations. It reduces Air and Marine programs, which your own budget brief says “will reduce the ability to safely and effectively transport personnel and equipment in support of border security missions”. And finally, the budget contains changes in maritime container security efforts that seem to be at odds with what both the Secretary and CBP have been proposing for the past few years. I look forward to discussing each of these in detail during the hearing today.

Commissioner Bersin, we hold the men and women of CBP in the highest regard and place great value in the work they do day-in and day-out. Many operate in very dangerous areas and have laid down their lives to protect us. I know we will discuss this in much more detail next week at our hearing on Southwest Border violence.

As we begin this hearing to more closely examine your 2012 budget, it's important to note that no program or account will be off limits to scrutiny. Our obligation is to take a balanced, realistic approach; to weigh risks carefully, and make prudent investments. Commissioner Bersin, I have no doubt that you share this point of view, and I look forward to working with you this year.

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OPENING STATEMENT: COMMISSIONER BERSIN

Mr. ADERHOLT. Again, Commissioner, we thank you for being here this morning and for taking time to address the Subcommittee. And we at this time would like to hear your testimony before the Subcommittee.

Mr. BERSIN. Good morning. And thank you, Mr. Chairman, Ranking Member Price, Representative Lowey. CBP [U.S. Customs and Border Protection], all of its nearly 60,000 employees, join me in thanking this Committee and the Congress generally for the support that you have provided, providing the resources and the funding necessary to accomplish the mission sets that the Nation has assigned CBP.

I recognize, Mr. Chairman, that time is limited today, so I will shorten an already brief statement so that we can get to the questions and answers. But I do want to reiterate and emphasize the high points.

CBP is charged with keeping dangerous people and dangerous things out of the American Homeland, away from American communities and families. We do that in terms of two direct approaches.

First, we are charged with protecting the land borders of the United States. This encompasses the Southwest border, which has garnered most of the attention in the last years because of the activities there and in Mexico. But it also encompasses the Canadian border, more than 3,900 miles that are on the Northern border from Maine to Seattle and the State of Washington. It also encompasses, in concert with the United States Coast Guard, responsibilities on the littorals, the maritime approaches off the coasts of the United States. The resources that this Committee has provided have had an impact and will continue to have an impact on all of those mission sets having to do with the border.

We also look at the border not simply as a boundary between the United States and Mexico and the United States and Canada, but we also look at it as securing the flow of goods and people toward the United States, and the twin dimensions to this issue, as the Ranking Member and the Chairman both indicated. We have a responsibility to secure the flows to be sure that dangerous people and dangerous things are identified as far away from the physical borders as possible and as early in time as possible. That is why we have the international footprint at CBP.

We also have an enormous responsibility with regard to the expediting of lawful trade and traffic. And the approach that CBP takes to this task is by risk management, by assessing risks and being able to distinguish between trusted travelers, trusted shippers, and those about whom or about which we have adverse information or about which we lack sufficient information to make a judgment as to how we ought to expedite their passage across our physical borders.

These two mission sets—securing the land border, the Southwest border, the Northern border and the littorals, and also securing the flow of goods and people through programs such as the Immigration Advisory Program or the Container Security Initiative—are the way in which we accomplish our tasks.

The 2012 budget that has been proposed by the Administration is under consideration by this Committee and the Congress provides us with the resources that we need to do this job. It is not a perfect budget. It never is. But I hope that, in discussions with this Committee and generally between the administration and the Congress, we can sharpen the budget, fill the gaps that are perceived to exist, and continue the progress that we have made both in protecting the land borders, protecting the aviation borders, protecting the maritime approaches, and also securing flows of people and goods so that we can continue to partner with the private sector to process \$2 trillion worth of imports that come into the United States each year, and we can also expedite the movement of \$1.8 trillion in exports that leave this country each year.

With regard to the challenges, rather than go into them as I thought I originally would, I think the Ranking Member and the Chairman have each raised the major challenges that we face with regard to maintaining the personnel, also maintaining the ability to make efficiencies, show efficiencies in a time of constrained budget, and yet keep the productivity of our men and women of CBP high and growing, and also make their activities more efficient and effective at the same time.

With that, Mr. Chairman, and in the interests of beginning the dialogue so critical to this enterprise, let me again thank you on behalf of the 58,000 men and women of CBP for the support that this Committee has always shown our efforts. Thank you, Sir.

Mr. ADERHOLT. Thank you, Commissioner. And we will enter your full statement into the record, and we thank you for your opening comments.

[The information follows:]

TESTIMONY OF
ALAN BERSIN
COMMISSIONER
U.S. CUSTOMS AND BORDER PROTECTION
DEPARTMENT OF HOMELAND SECURITY
BEFORE
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON HOMELAND SECURITY

March 09, 2011
Washington, DC

Chairman Aderholt, Representative Price, esteemed members of the Subcommittee, it is a privilege and an honor to appear before you today to discuss the work that U.S. Customs and Border Protection (CBP) does in securing America's borders against threats while facilitating legal travel, trade, and immigration. CBP, with over 58,000 employees, is the largest uniformed, federal law enforcement agency in the country. As the guardians of America's borders, CBP is responsible for protecting the United States and the American people from the entry of dangerous goods and people. This includes ensuring that all persons and cargo enter the U.S. legally and safely through official ports of entry (POEs), preventing the illegal entry into the U.S. of persons and contraband at and between POEs, ensuring the safe and efficient flow of commerce into the United States, and enforcing trade and tariff laws and regulations. CBP carries out these missions through the diligence of our personnel, as well as the use of intelligence, targeting, technology, infrastructure, and a broad range of other assets and capabilities.

I want to begin by acknowledging the support of the Subcommittee and by stating my sincere thanks for the clear commitment that the Subcommittee has shown to the mission and the people of CBP. We appreciate your efforts, and we appreciate the assistance you have continuously offered. Today I will outline the ways in which your investments—of both time and resources—have been utilized, and I will illustrate how the Administration's FY 2012 budget request supports CBP's efforts to perform our mission more effectively and efficiently.

A Solid Foundation of Border Security

CBP guards more than 3,900 miles of border with Canada, 1,993 miles of border with Mexico, and 2,627 miles of shoreline; processes approximately 352 million travelers a year at POEs; and processes more than 25 million trade entries annually. CBP's Border Patrol and Air and Marine agents patrol our Nation's land and maritime borders, and associated airspace, to prevent illegal entry of people and goods into the United States.

Securing the Southwest Border

I would like to begin by discussing our operations on the southwest border. We are two years into the Southwest Border Initiative, launched in March 2009 to bring unprecedented focus and intensity to southwest border security, coupled with a smart and effective approach to enforcing immigration laws in the interior of our country. Under this initiative we increased the size of the Border Patrol to more than 20,700 agents today, which is more than double the size it was in 2004; quintupled deployments of Border Liaison Officers to work with their Mexican counterparts; and began screening southbound rail and vehicle traffic to look for illegal weapons and cash that, when smuggled across the border, help to fuel the cartel violence in Mexico. In fiscal years 2009 and 2010, CBP seized more than \$104 million in southbound currency—an increase of more than \$28 million compared to 2007-2008. In addition, in fiscal year 2010, CBP seized more than 1,900 weapons going southbound to Mexico—nearly double the approximately 1,000 seized in 2008. DHS has also deployed thousands of technology assets—including mobile surveillance units, thermal imaging systems, and non-intrusive inspection equipment—along the

southwest Border, and currently has 130 aircraft and three UAS that provide critical aerial surveillance assistance to personnel on the ground.

With the aid of the Fiscal Year (FY) 2010 Border Security Supplemental we are continuing to add technology, manpower, and infrastructure to the southwest border. These measures include adding 1,000 new Border Patrol agents; adding 250 new CBP officers at our POEs; improving our tactical communications systems; and adding two new forward operating bases to improve coordination of border security activities. The Supplemental also provided CBP two new Unmanned Aircraft Systems (UAS) and we have now expanded UAS operations to include a launch and recovery site in Corpus Christi, Texas. This new site allows the UAS program to fly along the southwest border from the El Centro Sector in California to the Gulf of Mexico in Texas.

CBP's FY 2012 budget request continues to enhance these efforts. The request supports 21,370 Border Patrol agents and 21,186 CBP officers at our ports of entry who work 24/7 with state, local, and federal law enforcement in targeting illicit networks trafficking in people, drugs, illegal weapons, and money. The request annualizes the new positions provided in the Supplemental and includes funding for over 350 additional CBP officers to support Port of Entry and National Targeting Center operations. These additional CBP officers will enhance CBP's ability to process legitimate travelers and cargo, and ultimately reduce wait times at the expanded POEs. Working in tandem, the additional CBP officers and canines would increase our enforcement capabilities to prevent the unlawful entry of people and contraband. The FY2012 budget request would result in the largest deployment of law enforcement officers to the frontline in the agency's history.

While there is still work to be done, every key measure indicates the progress we are making along the southwest border. Border Patrol apprehensions—a key indicator of illegal immigration—have decreased 36 percent in the past two years, and are less than a third of what they were at their peak. We have matched these decreases in apprehensions with increases in seizures of cash, drugs, and weapons. In fiscal years 2009 and 2010, CBP and ICE seized more than \$282 million in illegal currency, more than 7 million pounds of drugs, and more than 6,800 weapons along the southwest border—increases of more than \$73 million, more than 1 million pounds of drugs and more than 1,500 weapons compared to 2007-2008. Violent crime in border communities has remained flat or fallen in the past decade, and some of the safest communities in America are at the border. In fact, violent crimes in southwest border counties overall have dropped by more than 30 percent and are currently among the lowest in the Nation per capita, even as drug-related violence has significantly increased in Mexico.

To continue to secure the southwest border, CBP must continue to increase the probability of apprehension of people attempting to enter the United States illegally or engaging in cross-border crime. Doing so will require more integrated planning and execution of operations across CBP, as well as seamless partnership with other government agencies and a sustained collaboration with Mexico. In recent months we have taken additional steps to bring greater unity to our enforcement efforts, expand collaboration with other agencies, and improve response times. In February, we announced the Arizona Joint Field Command (JFC)—an organizational realignment that brings together Border Patrol, Air and Marine, and Field Operations under a unified command structure to integrate CBP's border security, commercial

enforcement, and trade facilitation missions to more effectively meet the unique challenges faced in the Arizona area of operations.

Our partnership with Mexico has been critical to our efforts to secure the southwest border, and we will continue to expand this collaboration in the coming year. One way in which we are working together is through our outbound enforcement program. Under the Southwest Border Initiative, CBP implemented 100% screening of southbound rail shipments for illegal weapons and cash. CBP is continuing to assess and refine its outbound enforcement strategy to include coordinated efforts with U.S. law enforcement agencies and the Government of Mexico to maximize southbound enforcement. These activities serve to enforce U.S. export laws while depriving criminal organizations in Mexico of the illicit currency and firearms that fuel their illegal activities.

To continue our southwest border security efforts, \$242 million is requested to support the continued deployment of proven, effective surveillance technology as part of the Department's new border security technology plan. This plan—the result of the Department-wide independent, quantitative, science-based assessment—will utilize existing, proven technology tailored to the distinct terrain and population density of each border region. These funds will allow CBP to deploy integrated fixed towers with other surveillance equipment in three areas of operation in Arizona.

Our goal of true border security recognizes that the border is much more complex than a simple line on a map. It is an entire area, extending into both our country and our neighbor countries, and it is home to many vibrant communities. Security starts along the border by leveraging every law enforcement asset and coordinating them in a way that acknowledges that our approach in El Paso may differ from a tactic in San Diego. Finally, our border policy must foster legitimate trade, travel, and immigration, accommodating the movement of commerce, from which the U.S. and our Mexican allies derive trade and tourism revenue, and which drives hundreds of thousands of jobs.

We have been extremely successful in reaching many of our goals for the southwest border region, and the attention and funding that we have received from Congress for this border has been utilized to achieve measurable successes. I am confident of two things: the first is that we are doing an excellent job with the people, technology, and innovations we currently have; and the second is that we cannot falter in this now, particularly on the southwest border, where we are seeing dramatic and definitive success.

Securing the Northern Border, Coastal Borders, and Associated Airspace

The northern border region, the coastal borders, and national airspace are critical both to the discussion of national security and to the discussion of CBP's current goals, successes, and future vision. CBP works closely with our federal, state, local, tribal, and international partners to secure these regions, participating in collaborative efforts such as the Joint Interagency Task Force (JIATF) South, which coordinates information sharing from investigative agencies within DHS and the Department of Justice (DOJ) and directs law enforcement action to intercept potential smuggling attempts in the maritime approaches to the United States.

Over the past two years, we have made critical security improvements along the northern border – investing in additional law enforcement, technology, and infrastructure. Currently, we have more than 2,200 Border Patrol agents on the northern border - a 700 percent increase since 9/11- and nearly 3,800 CBP Officers managing the flow of people and goods across ports of entry and crossings. With Recovery Act funds, we are in the process of modernizing more than 35 land ports of entry along the northern border to meet our security and operational needs. We have also deployed new technology along the northern border, including thermal camera systems, Mobile Surveillance Systems, and Remote Video Surveillance System and recently completed the first long-range CBP Predator-B unmanned aircraft patrol that extends the range of our approved airspace along the northern border by nearly 900 miles.

We have also expanded our strong partnerships with federal, state, local, and tribal agencies, as well as the Canadian government, in protecting our communities, borders and critical infrastructure from terrorism and transnational crime. CBP is working closely with the Royal Canadian Mounted Police (RCMP) and the Canada Border Services Agency (CBSA) to enhance coordination on port operations, conduct joint operations between POEs, and jointly deploy new technology. In conjunction with CBSA and RCMP, CBP recently announced the release of a joint border threat assessment, which provides U.S. and Canadian policymakers, resource planners, and other law enforcement officials with a strategic overview of significant threats—to include drug trafficking, illegal immigration, illicit movement of prohibited or controlled goods, agricultural hazards, and the spread of infectious disease—along the U.S.-Canadian border. To enhance cross-border security and increase the legitimate flow of people, goods, and services between the United States and Canada, last month President Obama and Prime Minister Harper of Canada jointly announced a new bi-lateral initiative, “Beyond the Border: A Shared Vision for Perimeter Security and Economic Competitiveness.” By increasing collaboration with federal, state, local, and tribal law enforcement agencies, and by working in concert with the Government of Canada, we can streamline our operations and utilize our resources in the most effective and efficient manner possible.

To continue to bolster our northern border security efforts, our FY 2012 budget request includes \$55 million to support investments in technology systems that address security needs for the northern border maritime and cold weather environment, as well as innovative technology pilots. It will also deploy proven, stand-alone technology that provides immediate operational benefits. These demonstrations and deployments explore how best to integrate various border security organizations and mission operations in order to enhance border security in this challenging environment.

In the coming year, CBP plans to continue to expand joint operations by forming a joint command with the U.S. Coast Guard in the Great Lakes Region. The Air and Marine Operations Center (AMOC), which includes representatives from the U.S. Coast Guard, as well as other agencies, provides a comprehensive picture of the air environment in the United States. The AMOC can monitor violations of U.S. airspace, track potentially dangerous aircraft, and coordinate and direct an operational response. Our FY 2012 budget request continues to strengthen the AMOC by fully incorporating the U.S. Coast Guard into AMOC management and decision-making, and expanding AMOC's intelligence capability.

Security and Trade Facilitation – We Must Do Both

Securing and facilitating the flow of goods and the movement of people

Our border policy must ensure the security of America's borders against threats while fostering and facilitating the movement of legitimate trade and travel across our borders. In fiscal year 2010, CBP officers at 331 POEs inspected 352 million travelers and more than 105.8 million cars, trucks, buses, trains, vessels and aircraft. In FY 2010, CBP processed nearly \$2 trillion in trade and collected over \$32 billion in total duties, taxes, and fees, as well as over \$314 million in antidumping and countervailing duties. The ability to secure the flows of goods, conveyances, and people to and through the United States is crucial to CBP's success in protecting our Nation. Before outlining this approach I would like to highlight the tremendous, positive impact CBP has on commercial trade.

We continued to work with the trade community to increase the flow of legal, trusted trade through partnerships such as the Importer Self-Assessment Program, which now accounts for more than 20 percent of all import value. At the same time, CBP conducted approximately 3,700 import safety seizures during fiscal year 2010, an increase of 34 percent over fiscal year 2009; and 19,961 seizures for intellectual property rights (IPR) violations. Through partnerships with the trade community to increase compliance, CBP is working to keep trade moving while simultaneously protecting intellectual property rights, consumer safety, and other vital national interests.

Focusing on the entire supply chain (for goods) and transit sequence (for people) allows CBP to intercept potential threats before they reach our borders, while also expediting legal travel and trade. CBP works at foreign and domestic locations to prevent cross-border smuggling of contraband such as controlled substances, weapons of mass destruction, and illegal or diseased plants and animals. CBP personnel also work to prevent and intercept the illegal export of U.S. currency or other monetary instruments, stolen goods, and strategically sensitive technologies. CBP officers deployed overseas at major international seaports as a part of the Container Security Initiative prescreen shipping containers to detect and interdict illicit material before arrival on U.S. shores. CBP has significantly developed its intelligence and targeting efforts to separate shipments and individuals according to the risks they pose, allowing CBP to increase security while simultaneously expediting legitimate travel and commerce.

More effective risk segmentation depends not only on enhanced targeting, but also on the expansion of trusted shipper and traveler programs. These programs expedite screening for certain shippers and travelers who undergo rigorous background checks—allowing CBP to focus law enforcement resources on the relatively small number of people and shipments that have the potential to cause harm. An example of this is the Global Entry program. Over 100,000 travelers have enrolled in this trusted traveler program that facilitates expedited clearance of pre-approved low-risk air travelers into the United States through biometric verification and recurrent vetting. Global Entry has reduced average wait times by more than 70 percent, with more than 75 percent of travelers using Global Entry processed in under five minutes, while enabling law enforcement to focus on the most serious security threats at points of entry to our country. CBP has made

tremendous progress over the last few years in developing its intelligence and targeting enterprises, and it remains critical that we stay on this trajectory.

The FY 2012 budget request includes an additional \$20 million for the National Targeting Center-Passenger (NTC-P) to enhance our ability to interdict mala fide travelers or terrorists before boarding flights destined for the United States. This funding will be used for additional staff and to implement additional improvements in our targeting priorities and methodologies. We have also requested \$7.5 million to expand the Immigration Advisory Program (IAP) to Paris, Abu Dhabi, Dubai, and Amman. IAP is a part of CBP's layered risk-based approach to detect and prevent the entry of hazardous materials, goods, and instruments of terror into the United States.

To improve the flow of goods, our request includes a \$20 million increase to support the design and development of Cargo Release functionality in Automated Commercial Environment (ACE). This funding, combined with carry over funds, will allow a useful segment to be completed providing ACE users with a new operational capability. Cargo Release functionality will incorporate the informational and operational requirements of more than 40 federal agencies into ACE via the International Trade Data System initiative. This will facilitate faster cargo processing by providing CBP officers with security screening results and streamlining the process of separating high-risk cargo from low-risk cargo. It will also provide new cargo status querying capabilities, giving trade partners visibility into cargo screening results and other government agency data requirements.

An additional \$7.5 million is requested to conduct cargo screening pilot(s) to assess alternatives to the 100% maritime cargo scanning requirement mandated by the Security and Accountability for Every (SAFE) Port Act. This will enable CBP to test alternatives to extend the zone of security beyond the physical borders, strengthen global supply chain security, and enhance CBP's multi-layered security strategy in support of the Administration's Global Supply Chain Security Initiative.

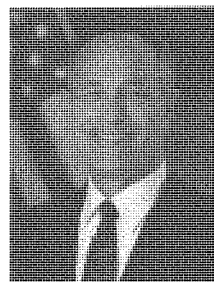
At the same time, we understand the difficult economic environment, and have identified areas of our budget where we can realize efficiencies in order to prioritize frontline operations. For example, as part of a Department-wide initiative, CBP will reduce professional service contract spending by \$30 million. Additionally, we have identified \$20 million in mission support expenditures that can be eliminated through efficiencies and are cutting non-mission-critical expenses such as travel, training, and acquisition of supplies.

The Administration's FY 2012 budget request provides CBP with the resources necessary to carry out our dual mission of protecting the United States against threats and securing our Nation's borders while facilitating lawful travel, trade, and immigration.

Thank you for the opportunity to appear before you today. I look forward to your questions.

Alan Bersin
Commissioner, Customs and Border Protection (CBP)

Alan Bersin was appointed by President Barack Obama on March 27, 2010 to serve as Commissioner of U.S. Customs and Border Protection. As Commissioner, Mr. Bersin oversees the operations of CBP's 58,000-employee work force and manages an operating budget of more than \$11 billion. Commissioner Bersin is responsible for fulfilling CBP's mission of protecting the nation's borders from all threats while facilitating legitimate travel and trade. Previously, Commissioner Bersin served as Assistant Secretary for International Affairs and Special Representative for Border Affairs in the Department of Homeland Security. In that capacity, he served as Homeland Security Secretary Janet Napolitano's lead representative on border affairs and strategy regarding security, immigration, narcotics, and trade matters as well as for coordinating the Secretary's security initiatives on the nation's borders.



Prior to this service, Bersin served as Chairman of the San Diego County Regional Airport Authority, appointed by San Diego Mayor Jerry Sanders in December 2006, and confirmed by the San Diego City Council. Previously, Mr. Bersin served as California's Secretary of Education between July 2005 and December 2006 in the Administration of Gov. Arnold Schwarzenegger. Gov. Schwarzenegger also appointed Mr. Bersin to the State Board of Education, where he served until 2009 as a member confirmed by the California State Senate. Between 1998 and 2005, he served as Superintendent of Public Education in San Diego where he launched a major reorganization of the district to focus its resources strategically on instruction and to modernize its business infrastructure in order to support teaching and learning in the classroom. In a related capacity statewide, Mr. Bersin served between 2000 and 2003 as a member and then Chairman of the California Commission on Teacher Credentialing. Prior to becoming the leader of the nation's eighth largest urban school district, he was appointed by President Bill Clinton as the United States Attorney for the Southern District of California and confirmed in that capacity by the U.S. Senate. Mr. Bersin served as U.S. Attorney for nearly five years and as the Attorney General's Southwest Border Representative responsible for coordinating federal law enforcement on the border from South Texas to Southern California.

Mr. Bersin previously was a senior partner in the Los Angeles law firm of Munger, Tolles & Olson, where he served on the firm's policy and compensation committees, chaired the committee overseeing the firm's extensive program of pro bono legal services, and was principally responsible for developing the firm's innovative paralegal program. At Munger, Tolles & Olson, Mr. Bersin specialized in complex RICO, securities, commercial and insurance litigation before state and federal trial and appellate courts. He is a member of the California and Alaska bars.

Other professional experience includes employment as Special Counsel to the Los Angeles Police Commission, as Visiting Professor of Law at the University of San Diego School of Law, as an adjunct professor of law at Boalt Hall, University of California, Berkeley, and at the

University of Southern California Law Center and as a Lecturer at the Stanford University Graduate School of Education. Mr. Bersin serves as a member of the Board of Overseers for Harvard University (2004-2010) and is a member of the Council on Foreign Relations and the Pacific Council on International Policy.

In 1968, Mr. Bersin received his A.B. in Government from Harvard University (*magna cum laude*). He was elected to the Phi Beta Kappa National Honor Society and awarded post-graduate scholarships by the National Collegiate Athletic Association and the National Football Hall of Fame. While at Harvard, Mr. Bersin was selected as a member of the All-Ivy, All-New England and All-East Football Teams and was inducted in 1995 into the Harvard Varsity Club Hall of Fame. From 1969 to 1971, Mr. Bersin attended Balliol College at Oxford University as a Rhodes Scholar. In 1974, he received his J.D. degree from the Yale Law School. Mr. Bersin was awarded the degree of Doctor of Laws (Honorary) by the University of San Diego in 1994, by California Western School of Law in 1996, and by the Thomas Jefferson School of Law in 2000. He is fluent in Spanish.

BORDER SECURITY: UNITED STATES-MEXICO COOPERATION

Mr. ADERHOLT. The first issue that I would like to bring up is a clear goal for border security. The United States Government has made significant investments in Mexico directly and in United States law enforcement agencies, in particular the Department of Homeland Security, to counter Mexican drug trafficking organizations and to assist the Calderon administration. While it is clear that these efforts are disrupting cartel activity, it remains to be seen what the end goal actually is and how we expect to get there, especially as the Calderon administration draws to an end in 2012.

How would you describe our progress collectively, United States and Mexican efforts, to undermine the drug trafficking organizations, and what evidence do we have of the impact on the cartels?

Mr. BERSIN. Mr. Chairman, an issue critical to our border security and also to our national security. The enterprise of cooperation with Mexico is a work in process; in fact, we have started down a path that is truly historical. The decision in 2006 of President Calderon to take on the organized crime elements that had so infiltrated both Mexican politics and Mexican society, that were having such a detrimental impact on our border and on our country, was truly a turning point in Mexican history and in the history of our two countries, particularly at the United States-Mexican border. That effort has led to the kind of violence that we have seen in Mexico that has resulted in the deaths of more than 35,000 Mexicans since 2006.

Recognizing how critical Mexican national security is to our own border security and, I would argue, our national security, the Obama administration, continuing the work of Merida, has actually taken the level of collaboration and cooperation to a new level and a new status. This is a work in process, but I believe that we have achieved something that is critical as we look forward.

I believe, regardless of changes that might take place in the leadership of the United States or Mexico, that we have with our neighbor to the south for the first time, really, since the 19th century treaty that ended the U.S.-Mexican War, reached a level of collaboration and cooperation that will never, ever go back to where it was, where we had erect borders, but not violent borders, but never terribly cooperative borders between the United States and Mexico.

The key to this has been the understanding between President Obama and President Calderon that in fact the issue of guns going south and cash going south and drugs coming north is not the occasion for finger-pointing, which it was for so much of our bilateral history: Mexicans blaming us for their problem of violent crime due to the consumption of drugs in the United States; and Mexicans blaming the United States for the passage of weapons into Mexico, without accepting the notion that there was a Mafia of frightening proportion growing in their country. That actually, thankfully, is a matter of the past.

For the first time in our history, instead of pointing fingers at one another, the United States and Mexico recognize drugs coming north, guns and cash going south, as being part of a common problem for which we have shared responsibility. That acceptance, Mr. Chairman, has permitted us for the first time to not only design

common solutions but to be well along the path of implementing them. It is a major change for the good.

Mr. ADERHOLT. Just to follow up on that. You mentioned it has changed historically, the finger-pointing. As the Presidential election year approaches, 2011 is a critical year. President Calderon is under increasing pressure internally, and we have seen, him publicly lashing out at the United States, calling cooperation from the United States "notoriously insufficient" and saying, "How can Americans cooperate? By reducing drug use, which they haven't done. And the flow of weapons hasn't slowed, it has increased."

While the tone was better in the Calderon meetings with the President last week, there is still that concern. Let me just follow with that and just your take on that.

Mr. BERSIN. Mr. Chairman, I think that actually that is an index of the relationship that we now have; that in fact, when you are engaged in the kind of partnership that we now have, there can be candid, even publicly candid remarks about the shortcomings that are perceived in the performance of the other partner.

So, for example, yes, the fact is that President Calderon underlines, with regard to drug trafficking, the critical role played by drug consumption in this country. He also outlines, with regard to illegal immigration, the lack of a legitimate labor market between the United States and Mexico, and the desire on the part of some Americans for both secure borders and cheap labor. I look at that as the candor and the frank discussion that will permit us to start to address those issues together.

So, for example, we point out to the Mexicans, in ways that were unsayable even 3 or 4 years ago, that they have a major problem of corruption in their law enforcement, that their state and local law enforcement and much of their judiciary, unfortunately, remains plagued by problems of corruption. Those are the kinds of public statements and acknowledgements that I think reflect the deeper partnership and the greater potential for cooperation than has ever existed before.

But I take your point. There are candid exchanges between partners that in fact our people, both in Mexico and the United States, need to hear and increasingly understand.

BORDER SECURITY: ILLEGAL IMMIGRATION

Mr. ADERHOLT. You have often stated in your public comments that the border is as secure as it has ever been. But this assertion doesn't tell us how close we are to actually securing operational control of the border. So that begs the question, given the billions that we have invested into the border, what is your goal for border security, and how close are we to achieving it?

Mr. BERSIN. Mr. Chairman, a critical question and well asked and reasonably asked, "What does border security mean?" So let me begin perhaps by describing what it can and cannot mean.

If we understand border security to be the absence of any illegal migration at all across the United States borders or the absence of any drug smuggling at all, then in fact we have set a goal that is impracticable and not possible in terms of an absolute sealing of the American border. That would be an issue of resources and an issue of actually having to correct those problems that, as I indi-

cated in response to your previous question, have led to an understanding that the consumption of drugs in this country is as much a part of the problem as the smuggling of drugs by organized criminals in Mexico across the border. We need to work on that. Under ONDCP [the Office of National Drug Control Policy], we are making very serious efforts of curtailing drug use and seeing some progress.

The same thing goes with regard to the labor market. As long as the magnet, the job magnet exists, we will see this flow. But, Mr. Chairman, security means that these are not flows that disrupt American family life and community life either in border communities or in the interior of our country. And there we need to basically take the position that if you try to cross into our country illegally, either to smuggle drugs or to come here to work illegally, you will be detected and you will be arrested. And that is the sense in which we approach our task at CBP.

Mr. Chairman, I am pleased to report to you that compared to certainly five years ago, certainly 10 years ago, and I know myself, having started with the border first, as the United States Attorney in the Southern District of California 15 years ago, that the border is actually more secure than it has ever been in terms of the ability to detect and apprehend those who come into the country illegally.

Having said that, we have considerable work to do, particularly in the Tucson Sector. That sector from Hermosilla, Mexico, in Sonora, to Nogales, Sonora, to Tucson, to Phoenix, half of the illegal immigration in the United States comes through that corridor. Half of the marijuana smuggling into the United States from Mexico takes place through that corridor.

And that is why Secretary Napolitano, beginning in March 2009, two years ago, began the greatest buildup of resources in Arizona that we have ever seen. This Committee has facilitated the growth of the Border Patrol, as indicated by the Ranking Member, such that by the end of fiscal year 2012, we will have 21,370 Border Patrol agents. Sir, I remember in 1993, when I first became involved with the border, we had 2,800 Border Patrol agents in the entire country. We now have nearly 10 times that many. They are being used to good effect, and in no place better than in the Tucson Sector where we have more than 6,000 people between the ports of entry CBP and at the ports of entry. And they are showing results in their work.

What does bringing that border under control and that sector under control mean? It means reducing the flow of illegal traffic into the United States from Mexico to a point that both assures public safety and is perceived by the people who live on the border and the people who live in Arizona as being safe and secure.

So I can tell you, having lived and worked there myself, and my family still lives on the border between Baja California, Mexico, and California. In San Diego, in 1994, when Proposition 187 was passed by the people of California, a proposition that is reminiscent of Arizona's bill 1070 of this last year in the context of Arizona politics, 565,000 illegal immigrants, illegal aliens, crossed over from Mexico and were arrested on the San Diego-Tijuana border. And at least twice that many, Mr. Chairman, got by the Border Patrol and made their way up to Los Angeles.

Today, the situation is completely different in terms of the resources Congress has provided. We have more than 3,000 Border Patrol agents in the San Diego Sector. We have a complete set of infrastructure in terms of fencing and pedestrian fencing and vehicle fencing. We have technology that permits us to detect the very large majority, I estimate 90 percent, of the people who are trying to cross illegally into the United States in that sector. But what that means, Mr. Chairman, is that when we say 58,000 as opposed to 560,000 people were arrested last year in San Diego, I can tell you that my friends and neighbors in San Diego will tell you this border is not out of control. San Diego is one of the safest 10 cities in the United States, and there are three other border cities that are among the 10 safest cities in the United States: El Paso, Texas; Austin, Texas; and Phoenix, Arizona.

So, with regard to this motion of what will it take to complete the job, I would say respectfully, Mr. Chairman, that until we have the kind of legitimate labor market between the United States and Mexico, and until we reduce the level of drug demand in the United States, we are going to continue to have attempted crossings on our border. The issue is, how many? And how many do we arrest after detecting them? The situation there is considerably improved, and it will be improved in Arizona as a result of Secretary Napolitano's initiative and, frankly, the Congress' Southwest border supplemental bill of last spring.

Mr. ADERHOLT. Thank you, Commissioner.

Let me turn now to Mr. Price.

AIR CARGO SECURITY: EFFORTS TO STRENGTHEN

Mr. PRICE. Thank you, Mr. Chairman.

Commissioner, I would like you to address air cargo security, first in respect to the capacities that you are developing, and secondly, some of the budget implications of those efforts.

Prior to the attempted air cargo bombing plot out of Yemen last fall, CBP was receiving international air cargo manifests four hours before cargo arrival in the United States; that is, after the plane was airborne. In response to the October 29, 2010, mailing of improvised explosive devices from Yemen, the National Targeting Center has been working with air carriers so they can analyze cargo manifests before flights take off.

In December, CBP began piloting this type of screening with the Big Four all-cargo carriers. Two of these pilot efforts have been completed, two others are either ongoing or are starting shortly. I know you call these pilots, but I don't believe there are any plans to turn them off. Maybe some analysis will follow, but this is going to be, as we understand, a permanent improvement of capacity.

So I wonder, first, if you could highlight what efforts CBP, in conjunction with the carriers, has undertaken to strengthen your air cargo security before it arrives in the United States, and what you believe the next steps are. And then, secondly, I want to ask you about the budget implications of all this.

I was somewhat surprised that the 2012 budget didn't include any additional funding for better targeting of cargo. Last November, CBP told the Committee that it needed up to \$80 million for these specific efforts. In December, in our consultations, this figure

was revised twice, to \$50 million and then to \$17.3 million for the “highest needs.” The highest needs include 40 new air cargo targeting positions funded to upgrade targeting infrastructure and funding to develop new targeting rules. Since final funding for 2011 unfortunately has not been resolved, we were unable to provide these resources; however, we did expect to see something in the 2012 budget. It is not there.

Last December, CBP told the Subcommittee it would expand its review of cargo transportation documents, known as bills of lading, to countries surrounding Yemen. That required additional staff, required additional infrastructure improvements to provide adequate bandwidth and hardware to support the workload, and additional screening technology. Has something changed? Or what has changed over the last few months so that you didn’t include these needs in the 2012 request? And I guess the obvious question is, are you now planning to fund these activities from base resources?

Mr. BERSIN. Ranking Member Price, thank you for that question that focuses on that dimension of our mission that is securing goods so that when they arrive at the physical ports of entry, we have done everything we need to do to identify, as best we can, dangerous cargo. And in fact, the Yemen cargo plot, with regard to packages and freight, led to the same kind of changes that we saw a year earlier with regard to the processing of passengers as a result of the Abdul Muttalib attempt to blow up a Northwest airliner over Detroit. So let me indicate what we have done, and then provide a very direct response to your question about how will this be funded.

Two major partnerships characterized our response. And remember, as you indicated, what happened in the Yemen cargo plot was that we received intelligence, our government did, from the Saudi intelligence that indicated there were two packages that were on their way to the United States that were intended to be detonated in the cargo plane over Chicago. So the question then was, how do we locate those packages? And I think one of the changes in the global supply chain was we did identify, out of this mass of tens of millions of packages and cargos involved in the international trade. We were in relatively short order, working together with our partners abroad, able to pluck out those two packages and to neutralize them so they did not do damage to the American Homeland.

As we analyzed the situation, though, we were able then to identify very quickly where the other packages that had come in the preceding days from Yemen were. But what we also noticed was that we needed, as we did in the passenger context, to be doing much more work away from the American Homeland and early in time. And that is what led to the pilot projects that you indicated.

Three critical partnerships have characterized the work.

The first is, as I suggested, the partnership with foreign customs and police authorities, which needs to be very close and is increasingly close.

The second has to do with the partnership within DHS between the Transportation Security Administration (TSA), charged with cargo security, and CBP. And the linking of the work of CBP and TSA on this has been extraordinary. And I know that government agencies always talk about the extent to which they cooperate, but

I can tell you, having been in the Federal Government, this is cooperation with real results that we see exemplified and illustrated in the way in which our Nation has responded to the cargo plot from Yemen.

The third partnership and key to this is the way in which we have collaborated with the private sector. From day one, we began working with the express cargo carriers, with the commercial airlines, and with the large cargo operators to begin to co-create the solution.

So what does the solution look like? And, frankly, I would say parenthetically that the way in which we have worked with the private sector contrasts with what I believe the Ranking Member and Members of the Subcommittee are familiar with, which is the contentious manner in which we began to deal with maritime security in the wake of 2001. That situation has vastly improved, but it has taken a long time for those engaged in maritime trade to look at the requirements that we imposed on them top down, in part through Congress imposing requirements on DHS. We basically mandated a series of changes to require advance information and a whole variety of pre-departure and pre-arrival changes. We took a different approach, frankly, Mr. Price, to this situation, air cargo.

From day one, Secretary Napolitano convened working groups involving the private sector and TSA and CBP to address the issue. And within a month, we began what you referred to as pilot projects. And they basically have two dimensions to them. We get advanced information. Right now, the law provides that when cargo is coming toward the United States, it must be given to CBP four hours before arrival. It must be entered into our system. Or if the place of disembarkation is fewer than four hours from our homeland, then it is entered into the system upon wheels-up of the cargo plane or the commercial plane carrying cargo.

What the pilot project basically does is it articulates and starts to implement a new grand bargain between governmental authorities and the private sector. Basically, the grand bargain is if you give us information early in advance of the departure, we will use the National Targeting Center to analyze the information you give us in terms of manifest data, and we will make a judgment about whether or not we need to screen and look at it and in which way we need to look and screen the cargo much earlier.

That has led express cargo—and right now the pilot is between the United States Government, DHS, and the express carriers, FedEx, UPS, I believe will be extended to DHL soon, and to TNT in the not-too-distant future. And basically what we see from UPS is that we are getting the information sometimes 24 hours earlier before departure, sometimes even 36 hours. And we are able to make this decision, working together: Do we screen it? Do we isolate it? Do we do it abroad? Do we do it en route? Or do we do it when it arrives at the physical boundaries of the United States?

That is the nature of the bargain. It is an extraordinary collaboration, and will be extended over the next six months to commercial airlines and the large cargo operators.

So then, Mr. Price, you say, so why haven't you asked for additional funding to support this? And the answer is that we have

asked for additional funding, as you indicated in your question. We have asked for additional personnel at the National Targeting Center. Now, we have actually asked for, I believe, 33 additional targeters that will work in Herndon and be able to analyze that manifest data.

And, Sir, I indicate to you, as we have with the Immigration Advisory Program, we will be coming back to the Congress when we have perfected this, when we have gotten to the point where we can say, as a result of the experience we have had, these are the additional measures that we need to take. And I think you have understood that we are not bashful about asking for resources.

But taking the Chairman's caution into account, in the environment in which we are operating, the Secretary is determined that we need to perfect these protocols. And we are able to do that within our existing resource base, together with the additional resources we asked for at the National Targeting Center.

Mr. PRICE. Mr. Chairman, I know my time is expiring. Just one clarification, though. I thought these additional personnel that you referred to were aimed at a passenger screening operation.

Mr. BERSIN. The National Targeting Center—I will correct the record if I misspeak, but I believe these are going to be National Targeting Center for Cargo. We have the NTC-P, National Targeting Center for Passengers in Reston, Virginia, and that is the program that works with the Immigration Advisory Program. But I believe that these were destined, and we intend to allocate them to the NTC-P.

CLERK'S NOTE.—The Commissioner confirmed that the FY12 request was for NTC-P analysts, not cargo.

Mr. PRICE. That is not the information that we have. But if you can get this straight for the record. And while you are at it, please provide us with whatever accounting you can of where in the budget these items that we had earlier been briefed on and had anticipated might be embedded; and to the extent that they are not in the budget, how you are making up the difference. That would be very helpful to us as we try to support this program fully. You understand, we want this to happen. We want to make sure that we understand the full budget implications of this capacity building, though.

[The information follows:]

Insert for the Record

Representative Price – That is not the information we have. But if you can get this straight for the record. And while you are at it, please provide us with whatever accounting you can of where in the budget these items that we had earlier been briefed on and hand anticipated, where in the budget these might be embedded; and to the extent that they are not in the budget, how you are making up the difference, so to speak. That would be helpful to us as we try to support this program fully. You understand, we want this to happen. We want to make sure that we understand the full budget implications of this capacity building though.

RESPONSE: The \$19.7 million CBP is requesting in the FY 2012 budget request will be used to hire 45 CBP officers and 20 support personnel, to support associated relocation and administrative expenses, and to make logistical and application enhancements to targeting efforts at the National Targeting Center – Passenger (NTC-P). Below is an estimated cost break-out:

Staffing	\$7,848,517
Relocations	\$3,622,500
NTC-P Expansion Logistical Needs	\$2,047,183
Applications	\$2,781,800
Administrative expenses:	\$3,400,000
TOTAL Initiative costs	\$19,700,000

Since the attempted bombings of Northwest Airlines flight #253 and Times Square, CBP targeting priorities and methodology have been re-engineered to improve the interdiction of possible terrorists or other high risk international travelers before they can board a flight destined to the United States. While these new targeting programs have been very effective, the re-structuring has caused a dramatic increase in the NTC-P workload leading to significantly increased overtime and temporary duty (TDY) staff augmentation costs.

NTC-P pre-departure vetting of passengers at foreign locations where CBP does not have an Immigration Advisory Program (IAP) presence identifies high-risk travelers prior to boarding flights to the United States. This program began in January 2010 and through close cooperation with the CBP Regional Carrier Liaison Groups, the airline industry, as well as the local ICE and CBP Attachés, over 1,600 potential high risk passengers have been denied boarding on flights bound for the United States since the inception of the program. NTC-P continues to provide 24/7 support for the expanded IAP program, which now has officers posted at ten airports in eight countries.

Additionally, the new NTC-P Advanced Targeting Team (ATT) focuses on passengers departing from the United States. Since the outbound apprehension of the Times Square bomber a new emphasis has been placed on outbound targeting operations. The primary areas of focus for ATT are identifying threats to civil aviation, subjects of National Crime

Information Center (NCIC) look outs, and new efforts to identify previously unknown, high-risk individuals through use of risk-based, intelligence-driven indices. The ATT is also involved in a joint international anti-narcotics smuggling operation that has resulted in the arrest of more than 80 cocaine and heroin couriers in the U.S., the U.K. and Nigeria since April 2010.

Other new NTC-P vetting initiatives include identifying high-risk travelers on private aircraft and increased support for the CBP Air and Marine Operations Center (AMOC). In partnership with the Department of State (DOS), NTC-P has also implemented the Visa Hot List for recurrent vetting of all issued U.S. non-immigrant visas against numerous law enforcement databases to identify persons who have become inadmissible to the United States subsequent to the issuance of the visa. Individuals with valid visas who match a record of interest are now referred to DOS for possible visa revocation. All of these new programs have been staffed by existing personnel and/or TDY staff augmentees. The requested funds are required to adequately address the 24/7 workload for these new targeting initiatives, as well as programs that previously existed.

Mr. BERSIN. Yes, sir.

Mr. PRICE. Thank you, sir.

Mr. ADERHOLT. Mr. Dent.

Mr. DENT. Thank you, Mr. Chairman. And good morning. A couple things following up on Mr. Price's questions.

It is my understanding that 100 percent of outbound commercial aircraft carrying cargo is now screened. Is that correct?

Mr. BERSIN. No. I don't believe that 100 percent of the outbound cargo is——

Mr. DENT. On passenger planes.

Mr. BERSIN. This may be a TSA function. I know that CBP is not screening 100 percent of outbound.

Mr. DENT. On the issue of the inbound, you just referred to the Yemen situation. Even if we were to screen 100 percent of all inbound cargo coming on non-passenger aircraft, how confident are you that we are going to detect problematic material, given what you know about the situation?

Mr. BERSIN. Again, Mr. Dent, with regard to inbound, on commercial planes coming to the United States, there is 100 percent screening by TSA-certified screeners or by the TSA itself of inbound cargo. And I believe with regard to that extent, we do have—we can always improve our screening capacity. We need to improve our protection capacity in terms of the technology. But that situation is considerably improved from where it was even a few short years ago.

Mr. DENT. It is my understanding on the inbound, coming from overseas in, we are still not at 100 percent. Outbound, we were. You met the mandate.

Mr. BERSIN. I will correct the record again. This is a TSA function.

Mr. DENT. Understood.

Mr. BERSIN. I will correct the record if I have misspoken.

BORDER SECURITY: USE OF CIVIL AIR PATROL

Mr. DENT. And one thing, too. I wanted to follow up on Civil Air Patrol issues. For the past several Congresses, I have been advocating the use of the Civil Air Patrol on the border, the Southwest border. You have a shortage of assets down there. It seems that if the Civil Air Patrol is willing to help, they have been effective in the past helping us with various security missions. What relationship does CBP currently have with Civil Air Patrol?

Mr. BERSIN. Mr. Dent, I know from the days in which I was the U.S. Attorney that the Civil Air Patrol played a very important role in assisting the Border Patrol in those years to patrol. Because of the increase provided by Congress in the air and marine assets of the CBP, we rely hardly at all now on the Civil Air Patrol. And I do know of your interest. We do not at this point, except in very spotty cases, regularly use them, in part because the air and marine assets that have been provided by the Congress and are at work, for example, in Arizona, are on the order of 10 times what they were years ago. But I——

Mr. DENT. Are you amenable to establishing some type of a working relationship with the Civil Air Patrol?

Mr. BERSIN. Absolutely. Absolutely. Partnership with Civil Air Patrol as with State, local, and tribal law enforcement authorities is critical. Yes, sir.

BORDER SECURITY: SBINET

Mr. DENT. I would love to follow up with you on that further. I think we could use them and it would be a cost-effective way for us to develop some more effective aviation assets.

And on SBInet, the Secretary announced I think on January 14, that they ended the SBInet program; yet it has endorsed the integrated fixed towers that are at the heart of the SBInet and indicated the Department intended to buy 52 more integrated fixed towers for Arizona. That is on top of the 15 that I think are already out there. So these additional towers are for some of the most problematic areas, as you know. But you postponed the purchase of these towers until fiscal year 2012, and delivery isn't expected I think until sometime in early 2013. Why aren't we moving aggressively in building on those towers?

Mr. BERSIN. Mr. Dent, you have correctly described the situation. The large-scale integration and the virtual fence dimensions of SBInet were ended by the Secretary, and I think to the general approval of Members of Congress on both sides of the aisle. But where the Boeing-developed technology, so-called block technology for the Ajo-1 technology, which integrates video and radar works, is in the flat terrain, and there will be need for it. Where there are canyons and mountains, that technology is not very useful and the Secretary has directed that we fill in the gaps in those areas with Mobile Surveillance Systems and Remote Video Systems. And our agents confirm that this is the best technique, together with aviation ISR [Intelligence, Surveillance, and Reconnaissance], the ability to integrate from surveillance from air, aviation platforms.

The reason, frankly, for the delay—and I believe we started purchasing in 2012 and continue to purchase in 2012 and 2013—is that we need to fill in the gaps. We have in Arizona, which is our area of greatest priority on the border, we have the towers in place on the flat areas. But we need to fill them in with the technology better suited for the canyons and the mountains.

But you are right; we want more of those towers to use in other places where the terrain makes them very useful. The priority is one reason there is a delay until 2012. The second is simply get the competitive bidding that will be required to give companies other than Boeing an opportunity to compete for this contract and to provide the fixed towers.

So we think, both as a matter of tactics but also good and efficient business sense, that schedule will not do us harm from a security perspective, and will get us a better product in due course.

Mr. ADERHOLT. Mrs. Lowey.

AIR CARGO SECURITY: 100 PERCENT SCREENING

Mrs. LOWEY. Thank you, Mr. Chairman.

And welcome. And I just want to say, Commissioner Bersin, we are very fortunate to have a person of your wisdom, experience, and caliber in this position, and I thank you very much.

And if you could just clarify in writing for the record, it is my understanding that the 100 percent screening of cargo on passenger airlines won't be completed until the end of 2011. I don't think it can be done soon enough. I think it is urgent. And I would like you to clarify that for us because I would like to know why. And also—why it is not completed.

Mrs. LOWEY. And I would also like to know if there are some nations that are not being cooperative as we seek to implement better screening procedures abroad, and what can we do about it? Perhaps the first one you can submit to us in writing.

But the second, if you are aware of certain nations that have not been cooperative, I would like to know about it.

Mr. BERSIN. Yes, with regard to providing information on both.

As you know, the legislation provides the extension, although the deadline is coming up and I believe that the Secretary, if she hasn't already, will be indicating the further extension on the 100 percent scanning. And with regard to—

Mrs. LOWEY. I just happen to think on that issue it is unacceptable. So I just want to know what you need, how much money, how many people to get it done now.

Mr. BERSIN. I understand. And then with regard to the information on countries that have not been cooperative, no one comes to mind. But I would need to consult with Administrator Pistole with regard to the cargo screening from abroad. And I will do that and supplement the record, if he so advises.

[The information follows:]

Representative Lowey: And if you could just clarify in writing for the record, it is my understanding that the 100 percent screening of cargo and passenger airlines won't be completed until the end of 2011. I don't think it can be done soon enough. I think it is urgent. And I would like you to clarify that for us because I would like to know why. And I would also why it is not completed.

Representative Lowey: And I would also like to know if there are some nations that are not being cooperative as we seek to implement better screening procedures abroad, and what we can do about it? Perhaps the first one you can submit in writing.

But the second, if you are aware of certain nations that have not been cooperative, I would like to know about it.

RESPONSE:

TSA is working assiduously to meet the requirements of the *9/11 Act* regarding international inbound air cargo. TSA has requested industry comment on the feasibility of a proposed deadline of December 31, 2011, to screen 100 percent of the cargo that is transported on passenger aircraft bound for the United States. TSA is assessing industry capabilities against this proposed timeline, based on input from industry. TSA does intend to implement a risk-based strategy toward the 100 percent screening requirement for inbound air cargo that leverages current and new initiatives such as the Air Cargo Advance Screening (ACAS) pilot. The ACAS pilot is a joint initiative between CBP and TSA that assesses the risk of inbound air cargo shipments in a pre-departure environment, in light of the enhanced security requirements issued in response to the October 2010 Yemen incident. Currently, the ACAS pilot is a voluntary program that collects key data elements of the air cargo shipment information transmitted to CBP from the air carriers as a type of "Security Filing" prior to the cargo being loaded on an aircraft.

The ACAS pilot program started on December 13, 2010 with the first integrated express air carrier (UPS) electronically transmitting key shipment data to allow CBP and TSA to conduct a joint security risk analysis of the air cargo shipments in order to identify potential threats to aviation security prior to lading.

As part of this pilot, CBP and TSA jointly target and mitigate any cargo shipment identified as potentially being high risk before allowing it to be loaded onto an aircraft. This joint targeting cell is located at CBP's National Targeting Center for Cargo (NTC-C) and is staffed with both CBP targeting experts and TSA targeting analysts.

CBP and TSA have held preliminary discussions with additional air carriers. We plan to expand the current pilot program in a phased approach starting with other integrated express air carriers, and later expanding the pilot to include air cargo transported on passenger aircraft, and finally including all commercial or heavy-lift all-cargo operators.

As part of this expansion, Federal Express began transmitting advance shipment data on February 24, 2011. DHL began transmitting data on March 29, 2010 and it is anticipated that TNT will begin participation in the ACAS pilot program in the near future. As the ACAS pilot program expands to include all sectors of the air cargo industry, CBP and TSA will continue to analyze the data collected and refine the protocols, as needed. The results of the pilot program will guide the future policy and operational approaches that CBP and TSA will take to enhance the security of air cargo bound for the United States.

TSA has established and will continue to pursue its bilateral efforts with countries under the TSA National Cargo Security Program (NCSP) Recognition process. The NCSP Recognition Program is a comprehensive, system-to-system evaluation program through which TSA reviews other countries' air cargo security programs to determine whether their programs provide a level of security commensurate with the level of security provided by existing U.S. air cargo security programs. In effect, NCSP recognition would allow air carriers to implement the programs of countries with security requirements that meet or exceed U.S. (TSA) standards, thus reducing potentially duplicative screening requirements. The NCSP Recognition program has been well received both with international industry stakeholders and foreign government counterparts. TSA currently recognizes the programs of four countries and TSA has received inquiries from multiple countries to pursue NCSP recognition. Currently, these countries are at various stages of review and analysis in the NCSP process.

TSA and CBP are continually working with industry and international partners to strengthen air cargo security requirements. TSA is also consistently renewing its efforts to ensure broader international awareness of TSA's Congressional (*9/11 Act*) cargo screening mandate, to promote its strategies for achieving this requirement, to encourage countries to share their NCSPs for review and possible recognition, and to address the evolving threats to air cargo security. These forums include the Global Cargo Programs Working Group, one of the four sub-committees of the Air Cargo Security Working Group (ACSWG) formed by Secretary Napolitano, the European Commission (EC), the International Civil Aviation Organization (ICAO), and Quadrilateral Working Group on Transportation Security (QUAD).

TSA also maintains strong channels of communication with international industry associations and organizations such as the International Air Transport Association (IATA), The International Air Cargo Association (TIACA), Air Transport Association (ATA), the European Airlines Association (AEA), and the Association of Asia Pacific Airlines. TSA is also an active participant in the World Customs Organization Contact Group, through which agency representatives presented the goals of Secretary Napolitano's Supply Chain Security Initiative.

TSA and CBP have both made requests in the FY 2012 budget to continue to work on these efforts and are continuing to evaluate the impacts in terms of costs and resources.

PORTS OF ENTRY: CUSTOMS AND BORDER PROTECTION OFFICERS

Mrs. LOWEY. Thank you.

On another issue. I have recently heard reports about staffing issues at Kennedy Airport, including that one quarter of all Customs and Border Patrol officers (CBPOs) are handling basic immigration work rather than searching cargo for weapons or drugs. Perhaps more alarmingly, I have been told that 18 flights a day are arriving from known high-risk narcotic-producing nations without searches by CBPOs due to staffing shortages.

So I would like to know, number one, what steps are you taking to ensure CBP is in fact searching cargo at Kennedy Airport rather than performing administrative tasks? And, secondly, what additional resources do you need from Congress to achieve this mission?

Mr. BERSIN. I was at Kennedy Airport on Friday, Thursday and Friday of last week. We are constantly looking at the staffing issues and also the allocation of duties. So at Kennedy Airport, which has more CBPOs, Customs and Border Protection officers, than any other airport because of the size and the scope of its operations, we have just under 1,800 now, with a staffing model that actually allocates both to the processing of people, which we have to do to prevent dangerous people from coming into the United States. But also increasingly, we check obviously on screening of freight and cargo coming into the United States, and Kennedy leads the way in terms of outbound checks. We have more outbound checks led by an extraordinarily experienced and good group of officers.

But I take your point that we always need to look at how do we allocate scarce resources and when do we need more resources for any particular function?

I believe that we can improve the situation at Kennedy, but I am satisfied that the leadership and this new port director at Kennedy, who I hope you will have an opportunity to meet: Mr. Brian Humphrey, who was at O'Hare Airport, now in charge of Kennedy Airport under Bob Perez's leadership at the district. And I will make him aware of your concerns and confirm that he is always looking at how best to allocate the resources among the functions that we have.

BORDER SECURITY: WEAPONS SMUGGLING

Mrs. LOWEY. I am not questioning anyone's ability. I am just saying that I think it is important that we get the job done. If you need more assistance, you should let us know.

In that regard, I have been to the San Diego entryway, and I have spent hours there. And to me it looks like a needle in a haystack. So I applaud you. I don't know how you do that work.

I also want to say, you talked before about the issues involving our government and the Mexican Government. I have met with Calderon, I have been there, I have talked with him. And I think this has reached proportions that are just extraordinarily dangerous. We know of the 35,000 lives that have been lost there. And I personally think it is not enough to say guns are going there and drugs are going there. I think we have to push for an assault weap-

ons ban, and I think we have to do something about controlling our use of drugs here in the United States of America.

What to do about the infiltration of the military, infiltration of the security force with the cartels, because the cartels pay more than the government, and the corruption is another whole story for another hearing, Mr. Chairman. But I appreciate your mentioning those issues, and I think we just have to do something about it.

So thank you again for appearing before us. And I think my time is up, so I will save my other question.

Mr. ADERHOLT. We would like to go now to Mr. Carter.

Mr. CARTER. Thank you, Mr. Chairman.

And, Commissioner, thank you for being here. Thank you for all the people in your Department that are doing very important work to protect our Nation. Texans feel it probably more, or as much—I would argue “more” than most in this country—as far as what you are doing on our borders. We are very appreciative of it.

My friend just raised the issue of the question that seems to come up every time we address the border. We certainly are aware of the violence coming from the south. And the question then comes up, where do the weapons come from? And it seems to be the finger gets pointed at the United States, that we are allowing weapons to be smuggled into Mexico.

I don’t know whether that is true or not. We assumed it was true. We had this discussion in the last Congress. We thought we had put adequate resources on the border to be able to inspect cargos going south, but there are at least accusations that we are failing in that inspection.

First and foremost, I want to make sure that is actually true, and to learn something about the interdiction that you may have had on weapons going south. The reason I question this is because AK-47s are not American-manufactured weapons; they are European-manufactured weapons, and that is what I see the bad guys carrying. But maybe we are importing them into the United States and then shipping them down there, I don’t know.

I think that it is important that we do interdict weapons flowing south if they are coming through the United States. If we have a fault in this violence on the border, we need to correct that fault. My Governor in my State has said he is perfectly willing to assist with the resources of Texas law enforcement. Would that be of assistance to you if Texas law enforcement—and law enforcement of other States, was willing to assist in the interdiction of weapons going south?

Second, do you have any weapons coming in from other sources besides the United States of America?

Mr. BERSIN. With regard to the source of weapons flow into Mexico, I think we have to acknowledge that many of the weapons do come from the United States. I think that has been established by the work of ICE [U.S. Immigration and Customs Enforcement] and ATF [Bureau of Alcohol, Tobacco, Firearms, and Explosives] as they have traced weapons that are seized in Mexico and traced back to sales in the United States. So I think we should acknowledge that, because it is a fact.

I think the extent of it, though, is not certain. You hear charges from certain quarters in Mexico that it is 98 percent. Others say

90 percent. Others say it is 80 percent. I think we should just acknowledge that it is an issue and we need to deal with it in terms of a new situation.

At the same time, there is no question in my mind that weapons are being smuggled into Mexico from the southern border as well, through Central America, particularly some of the heavier weapons that are there.

But, again, in keeping with this new relationship between the United States and Mexico, we acknowledge the issue. And, as you suggested, it is one we need to work on.

With regard to outbound operations, Secretary Napolitano, beginning in March 2009, instituted for the first time in the history of our border, not southbound checks of which there were intermittent ones, but instead a regular systematic check, not a 24/7 check, but a systematic, well-orchestrated effort to intercept guns and cash going south.

With regard to the participation of local law enforcement, they do participate now, all over the border from California to Texas. Texas DPS [Department of Public Safety] is a big partner of us, and Border Patrol agents speak highly of it, as do I.

With regard to local sheriffs and local police departments in Texas and elsewhere, they are often involved in task forces that are participating in southbound checks, and they share in the forfeiture of assets that are seized and liquidated as a result of those seizures.

So the answer is, yes, those partnerships are critical. And they can always be improved, but they are very extensive, as we speak.

Mr. CARTER. We certainly are perfectly willing to be involved in our State, and our Governor is speaking out publicly that he is willing to share any resources you need to protect our State. Because, quite honestly, we are very concerned about the violence across the border.

I was with people from Laredo yesterday. We were talking about how much we used to share a great celebration on our borders, George Washington's birthday celebration, and it used to flow back and forth between Nuevo Laredo and Laredo. That flow now stops, and we have snipers protecting our meeting of Governors on the international bridge. That is a dangerous situation that shouldn't occur between friendly neighbors, and it concerns Texas greatly that this is going on.

Mr. BERSIN. It should concern all Americans, Mr. Carter. And I will say that, for all the violence taking place in northern Mexico, including Nuevo Laredo, the fact is that we have not seen that spillover violence into the United States, even from Juarez to El Paso. And, Mr. Carter, it is a major, major mandate of CBP to see that that does not happen. Working with DOJ [the Department of Justice] and with local law enforcement, we need to make clear to the cartels, particularly in the wake of the killing of a law enforcement agent in Mexico, that we will not tolerate the widespread violence coming over from Mexico into our country, and we will not tolerate the killing of American law enforcement officers.

Mr. CARTER. Well, my time is up. But I assure you the State of Texas stands ready, willing, and able to assist you in any way you request.

Mr. BERSIN. Thank you, sir.

Mr. ADERHOLT. Ms. Roybal-Allard.

INTERNATIONAL TRADE AND IMPORTATION: ILLEGAL IMPORTS

Ms. ROYBAL-ALLARD. Thank you, Mr. Chairman.

And welcome, Commissioner. As you are well aware, protecting American businesses and American workers from illegal imports is a key component of CBP's mission. Unfortunately, the agency has been unable to prevent Chinese shippers from evading paying dues on many of their shipments into the United States.

In November, Senate investigators posing as business owners easily found ten Chinese companies willing and able to sneak merchandise into the United States to avoid paying duties which have been imposed to protect more than 120 domestic companies and 12,000 U.S. workers from unfairly traded imports.

Also, steel industry investigators recently discovered a consignment of tubing bound for the Los Angeles market, used books, again to avoid detection of their required duties.

This failure to address industrial smuggling, as you know, is costing American jobs and robbing our Treasury of much needed revenue. What is preventing CBP from doing a better job of addressing this threat posed by Chinese illegal imports? And what is it that you are doing to address this, and how can we be helpful?

Mr. BERSIN. Ms. Roybal-Allard, I would say that of the many changes that the Secretary has instituted and that I am proud to be implementing, one of the largest has to do with reemphasizing the importance of our trade function at Customs and Border Protection; in addition to securing the flow of goods, we need to expedite the lawful movement of goods. And in fact we see that expediting of lawful traffic as being entirely consistent with and critical to raising our security profile. It is only by expediting the movement of the vast amount of lawful traffic that we can actually concentrate our attention on the very small amount of traffic that prevents risks of harm to our security. And we include in the definition of "security," our economic prosperity and our economic competitiveness.

So in fact we are revamping the relationship between our ports and the trade function at CBP to see to it that trade enforcement of Intellectual Property Rights, of various antidumping provisions, has a new emphasis in our activities, because we don't see that as being antithetical to our security duties.

And I think you will see over the coming weeks and months a focus on such industries as the textiles. As you see a focus on the evasion and the defrauding on the basis of NAFTA [North Atlantic Free Trade Agreement] distinctions, I think you will see increased attention both from CBP and from ICE to Intellectual Property Rights enforcement. These are important objectives of the Secretary and ones that we see as completely consistent with our mission of keeping dangerous people and dangerous things out of the United States.

PORTS OF ENTRY: NEED FOR IMPROVED SECURITY

Ms. ROYBAL-ALLARD. Which brings me to my second question. The National Immigration Forum and the Texas Border Coalition

have found that while billions of dollars have been spent between ports of entry, such as the vast expansive desert along the southwest border, by comparison DHS has spent little to improve security at the ports of entry.

According to a white paper by the Texas Border Coalition, the probability of a person being apprehended for criminal activity between ports of entry is 70 percent, and only 30 percent at the ports of entry where the bulk of criminal activity occurs.

This is a vulnerability, as has been discussed earlier, that Mexican drug cartels have exploited. And according to the 2010 National Drug Threat Assessment, more than 90 percent of hard drugs smuggled into the U.S. in 2009 actually came through our border ports.

In addition, according to the Border Trade Alliance, which is a network of leaders and business and government, insufficient staffing at border crossings is creating bottlenecks that seriously impede the flow of commerce vital to the economy of both countries.

While I am pleased that your fiscal year 2012 budget request includes additional funding to meet this need, it falls far short of what is needed to combat drug cartels and facilitate the flow of goods and people through our busy border ports of entry.

I understand that earlier you spoke of efforts and of success along a specific corridor in Arizona on the Southwest border, and I applaud your efforts in that area. However, given the reports that I referenced, can you please tell us what strategies you have to address the threats at the ports of entry? And wouldn't our country be better served if our resources were directed towards these areas that appear to be the main ports of illegal activity?

Mr. ADERHOLT. Ms. Roybal-Allard, your time is expired. But go ahead and answer this question briefly. And then we will go on. But go ahead.

Mr. BERSIN. The issue is not a zero-sum game. And you are exactly right; we need to see the border not as divided irrevocably between the ports and at the ports, we have to see it as a continuous border. And we do see it that way at CBP.

So in fact, as you noted, the budget asked for 300 additional CBPOs that are necessary to staff the new ports of entry on the Southwest border. We have also received 250 more CBPOs in the Southwest supplemental bill, in the 2012 budget actually made a part of the base budget. But over time we do need to address that issue. There is no question.

In fiscal year 2004, there were 17,689 CBPOs and there were 10,819 Border Patrol officers. In fiscal year 2011, there were 20,370 Border Patrol agents and 20,777 CBPOs. So while we have seen growth in CBPOs, we have seen much greater rates of growth in the Border Patrol.

We are conscious of the issue you raise, but we see it as a continuum and believe that we can continue to grow CBPOs in a way that will address more effectively the issues you raise.

Mr. ADERHOLT. Mr. Latham.

BORDER SECURITY: BORDER SEARCH AUTHORITY

Mr. LATHAM. Thank you, Mr. Chairman.

Welcome, Commissioner. I have heard from different people inside the Department and outside the Department on the issue of contraband coming into this country, whether drugs, whatever it may be, that maybe we are not using the kind of authority we already have. I am talking about the border search authority. There has been a change in the way the authority is used according to some. If you would just tell us what your policy is, and whether search authority is being utilized in the way it should be.

Mr. BERSIN. Mr. Latham, I can speak as a former prosecutor, and assure you that there is no place in the American landscape where American law enforcement has greater powers of search without any reasonable suspicion or any probable cause but, rather, as a matter of protecting the American Homeland at the physical ports of entry. Those authorities are fully in use, in fact are even in greater use with regard to matters of questioning.

So, for example, in the wake of the assassination of Agent Jaime Zapata in San Luis Potosi, we exercise those authorities to the fullest, to question and hold in secondary anybody with the remotest link to the Zeta group believed to be responsible for the murder of Agent Zapata.

So I want to assure you as a prosecutor, also as the head of CBP, that we understand our authorities. We understand that they need to be used responsibly, but they also need to be used fully, and they are being used to the fullest extent consistent with our tactical objectives.

Mr. LATHAM. I don't understand why we keep hearing reports that it is not being used as it should be, or as widely. Are there any other agencies that you give that authority to?

Mr. BERSIN. When people are cross-designated from ICE or in fact from one of the DOJ agencies or in fact, as Mr. Carter suggested, when local law enforcement is part of the task on the outbound, if they are cross-designated they are actually empowered with the same authorities of search to the fullest extent permitted at the border, which is the widest permitted under American law and jurisprudence.

So I think what would be helpful is when you are told that a border authority is not being used, it is good to get the case; and I would be happy to respond to the case, because I am a very firm believer in the exercise of our authority at the border, responsibly, but also fully.

Mr. LATHAM. So how does the contraband come in?

Mr. BERSIN. Those authorities are not exercised on every car that comes in across the United States border. We have 270,000 vehicles coming into the United States every day from the northern border and the southern border, and what we use are risk management, the experience and skill and knowledge of our officers, which is not perfect. But the alternative is not one that the Congress has ever commended to us, which is to open up every trunk and subject every car to an X-Ray, which would bring trade and travel into the United States, so critical to our economy, to a halt.

But you are right, there is a decision that can be made. I submit to you, sir, that we want to use our powers to the fullest, but we want to use those powers where we have good reason to believe

that they will provide us with a secure result and not represent an undue burden on lawful trade and traffic.

Mr. LATHAM. Do we have any idea what percentage of the amount of, say, drugs are being caught at the border?

Mr. BERSIN. Mr. Latham, I have been involved in border-related activities for 20 years, and I have heard a whole range of estimates. And rather than provide one, all of which are, at best, educated guesses, I would just as soon share my personal view, not an official view, off line. I can't state it with any official imprimatur and would hesitate to do that and thereby mislead people that there is some more certainty to it because of the position I occupy.

INTERNATIONAL TRADE AND IMPORTATION: BORDER INSPECTIONS

Mr. LATHAM. Ms. Roybal-Allard was talking about trade. A lot of the companies in the U.S. have teamed up in a partnership like the Customs Trade Partnership Against Terrorism and importer self-assessment programs, but they still seem to have significant delays. Apparently, there are 47 different agencies involved in some way in border inspections. Are the programs working as they should?

Mr. BERSIN. Sir, there are now more than 10,000 companies that are part of the Customs-Trade Partnership Against Terrorism. As I indicated in response to Ms. Roybal-Allard's question, one of our major objectives consistent with maintaining a high level of security and increasing security levels is to restructure the relationship with the trade and provide a more expedited passage for those members of the trade community who are trusted shippers, who have engaged in the ISA [Importer Self-Assessment Program], who have engaged in the supply chain security matters.

And I think if you consult with the trade associations, you will see, both in the air cargo area, where we have partnered on the security measure having to do with freight, so too in terms of this idea of what benefits can we provide to the trusted shippers, to the trusted importers, to the trusted customs programs. And we are working with the private sector to enhance those benefits and to work with our partner government agencies.

While there are 47 agencies for which we serve as the executive agent and we take action at the border on their behalf, seven agencies, including EPA [the Environmental Protection Agency], FDA [the Food and Drug Administration] notably, Agriculture, the Highway Safety Transportation, are the main agencies for which we work, and that is where the ACE [Automated Commercial Environment] program is critical. And I look forward to discussing with the committee the work we are doing with ACE that is critical to the issue you raise.

Mr. ADERHOLT. Let me yield now to Mr. Dent. I understand you have a quick question for clarification.

CARGO SECURITY: CBP AND TSA RESPONSIBILITIES

Mr. DENT. Commissioner Bersin, just quickly. Could you please clarify for the record the respective roles of CBP and TSA with regard to screening and inspecting international air cargo?

It is my understanding that CBP inspects arriving cargo at ports of entry under its customs authority, but that TSA inspects and

screens U.S.-bound cargo overseas and departing the U.S. because of its aviation security responsibilities. And it is the only agency empowered to carry out such screening overseas. Can you clarify that?

Mr. BERSIN. Yes. That is generally correct in terms of where the physical inspections take place, although TSA relies on certified screeners in many cases abroad. But we are involved very heavily in this work in partnership with TSA, because the targeting work that takes place is done through the National Targeting Center for Cargo in Herndon, Virginia.

So, for example, when cargo is placed on a commercial airline or on an express carrier, there is a manifest filing that is processed by CBP officers in Herndon, Virginia. We are partnering with TSA, so there are TSA officers.

Mr. DENT. You are talking about the cargo manifest, not the passengers' manifests?

Mr. BERSIN. We analyze the passenger manifest as well at the National Targeting Center for Passengers. But for cargo, we colocate with TSA so that the targeting is being done by CBP at the NTC-C. But the actual screening, you are correct, is being done by either TSA personnel or TSA-certified screeners.

CUSTOMS FEE ADJUSTMENT

Mr. DENT. Thank you.

Mr. ADERHOLT. Let me turn now just briefly—and I know we have very limited time, and I want to get to a couple more just for a second round. But as you know, Commissioner, it has been difficult in getting the customs fee changes enacted in the past. And of course it is out of this Committee's jurisdiction. But how will CBP make up that \$55 million fee revenue difference if the legislation is not enacted as we had discussed earlier?

Mr. BERSIN. Mr. Chairman, this is part of a larger issue and challenge that faces CBP. So, for example, 37 percent of our CBPOs, 37 percent of the 20,186 officers are actually paid by user fees. So when we see a decline, which we have seen during the height of the recession—in 2009 we saw a decline in user fees of 8 percent—we need to make up the difference and we do that in the appropriations.

It is not a satisfactory situation, which is why we have asked for the help of the Congress in both repealing the exemptions from the COBRA [Consolidated Omnibus Budget Reconciliation Act] fee to generate the \$55 million in a period of constrained budget resources.

But you are correct. If that relief is not there, we need then to turn to our appropriations. And we do it in a way consistent with the appropriations, but in a way that does not permit the predictability or, as Ms. Roybal-Allard's question suggested, with the growth projectory that we have seen where there is an appropriation made in the case of the Border Patrol, and we have seen a steady growth.

Mr. ADERHOLT. Well, as we mentioned earlier, it is about truth-in-budgeting. We need a responsible request from the Administration for operations, especially in light of the fact that we have a

shortage of officers at major airports. And these are things that certainly we need to pay attention to.

At this time, let me go ahead and recognize Mr. Price.

CARGO SECURITY: CONTAINER SECURITY INITIATIVE

Mr. PRICE. Thank you, Mr. Chairman.

And Mr. Commissioner, I want to get into another of the 100 percent mandates you are dealing with from the 9/11 Act, this one having to do with the scanning of U.S.-bound cargo overseas. I will not have time to ask the full question and you won't have time to fully answer it, so we will both no doubt make submissions for the record.

But let me just flag this issue, because I think it is important and I think there is a certain ambiguity in your budget with respect to the 2-year intentions.

I have made it abundantly clear that I share the Secretary's skepticism that the 100 percent mandate is achievable, certainly within the 2012 time frame. She just said it is not going to work. And I believe it would probably take a prohibitive amount of resources to scan all cargo overseas at any near point in time.

In any event, DHS has chosen a different path. I think you have made that quite clear. You are using a risk-based methodology, using advance information and intelligence to target the high-risk, highest risk maritime cargo for scanning overseas.

Now, in light of this, I want to ask you to elaborate on your budget request and on the future, in particular, of the Secure Freight Initiative program, which, as you know, is the pilot program involving 100 percent scanning overseas, and the Container Security Initiative which involves dozens of ports overseas where the targeting methodology is being implemented and perfected.

The earlier budget request that you made for 2011 seems to envision certainly the scaling down, if not the phasing out of the Secure Freight Initiative pilots in all places except Pakistan. Yet your 2012 budget includes funding for two pilots to test the 100 percent screening mandate. In essence, as I read it, replicating the SFI model used in Pakistan in a different high-threat corridor likely on the Arabian peninsula. I do not understand the consistency of that request with the path the Department has chosen and with your earlier funding proposals.

And then, also, we need to know what the future of CSI is. Is it really feasible to reduce the overseas physical presence of your officers in these ports where this is a very difficult thing to carry out? Is it really feasible to reduce that to the degree that you are suggesting? And in any event, what is the future of the CSI approach and the kind of pattern you anticipate for continuing and enhancing this kind of work overseas?

Mr. ADERHOLT. Commissioner, let me just say, we have that joint session. If you could just briefly maybe answer Mr. Price and then maybe submit the rest of your answer. I do want to let Mr. Carter get one question in before we go to the joint session. So if you will briefly answer that, and then we will go to Mr. Carter.

Mr. BERSIN. Yes, sir.

In a word, we should supplement the record, and we will, because these are very serious issues. And with regard to the Secure

Freight Initiative (SFI), we think that the pilots have demonstrated that we should restrict the application of that model, which is basically getting X-Ray images taken abroad by foreign service nationals and transmitted to Virginia for analysis. We think that should be restricted to those relatively few countries where American officers would not be safe. So in fact, we do not have officers in Pakistan, and that is why we have maintained the SFI in that form there.

The CSI [Container Security Initiative], frankly the changes there—which we need to elaborate—are fully consistent with the difference in circumstances between 2002 and today. So in fact in 2002, we had no advanced data. We had no automated targeting capabilities. We had no NTC. We had no Do Not Load authority. We had a limited overseas presence. We had very few international relationships. That situation has completely changed 8 years later, 9 years later. And the CSI program, still very critical, needs to evolve and is evolving, and this budget reflects that.

But Mr. Chairman, if I may, we would like to supplement that. And Mr. Price, if possible, I would like to have an opportunity to go into much greater detail on what the new CSI looks like and how it is consistent with the goals that you have espoused and articulated.

[The information follows:]

Commissioner Bersin's supplement to a question from Representative Price - But Mr. Chairman, if I may, we would like to supplement that. And Mr. Price, if possible, I would like to have an opportunity to go into much greater detail on what the new CSI looks like and how it is consistent with the goals that you have espoused and articulated.

RESPONSE: Through the Container Security Initiative (CSI), the Secure Freight Initiative (SFI), and other programs, CBP addresses the challenges involved in identifying high-risk cargo as early as possible in the supply chain. The Trade Act of 2002 and its implementing regulations require industry to submit electronic manifest data to CBP 24 hours prior to the cargo being laden on a vessel destined for the United States. CBP's pre-departure manifest data requirements were further enhanced with the implementation of the Importer Security Filing (ISF) pursuant to the SAFE Port Act of 2006. CBP utilizes the Automated Targeting System (ATS) as a means to screen advanced manifest data and assist CBP Officers in identifying high-risk cargo. Upon screening, CBP can issue "Do Not Load" messages for shipments deemed high risk until the risk can be mitigated or resolved.

Well-established international relationships have been developed and CBP has a large overseas presence. In addition, there is a number of security programs developed to utilize CBP's legal authorities as well as operational resources to ensure adequate screening of high-risk cargo. For instance, CSI was developed to identify and inspect high-risk cargo before it is laden aboard a vessel destined for the United States, and the Customs-Trade Partnership Against Terrorism (C-TPAT) was established to provide end-to-end supply chain security. Both programs were codified into law by the Safe Port Act of 2006.

The CSI core mission of identifying and inspecting high-risk cargo before it is laden on a vessel destined for the United States remains the same today; however, the means to accomplish that mission have matured. New and improved technology allows more targeting to be accomplished from the National Targeting Center-Cargo (NTC-C) at a much more efficient and reduced cost. Innovative and effective software has been developed and perfected to allow non-intrusive inspection (NII) images to be transmitted to the NTC-C for review and risk mitigation. Improved data and targeting systems allow for better identification of high-risk shipments, thus promoting better mitigation of the risk of those shipments. In addition, information sharing has improved with our host counterparts. More countries have implemented robust, security-based partnership programs, which raises the level of confidence for success of programs based, in part, on international cooperation, such as CSI and the international Authorized Economic Operator programs.

In early FY 2009, CSI began reducing the number of CBP Officers at the foreign seaports in an effort to utilize staffing in areas needing greater support and ensure that staffing levels remain consistent with workload. In January 2009, the CSI foreign footprint was 167 CSI Officers, 17 ICE Special Agents and 11 Intelligence Research Specialists (IRS)

from the Office of Intelligence and Operations Coordination (OIOC). The current staffing of CSI consists of 86 CSI Officers, 8 ICE Special Agents and no IRS support from OIOC. While there has been a decrease in the staffing of CSI Officers abroad, CSI has increased the staffing level at the NTC-C to support targeting functions in overseas ports. Accordingly, the decrease in the CSI staffing at foreign locations has not compromised the CSI mission because CBP has been able to accomplish the CSI mission more efficiently and in a more cost-effective manner through the increased staffing and resources at the NTC-C.

In the future, programs such as CSI will continue to be an integral part of CBP's effort to ensure effective targeting and examination of high-risk cargo prior to being laden on a vessel bound for the United States. It is envisioned that CBP's path forward for FY 2011 and beyond will include the development and use of a hybrid of a variety of operational concepts necessary to address the specific needs of each foreign port. CBP Officers from the NTC-C will perform more targeting for foreign seaports and refer shipments for examination when appropriate. CBP will continue to evaluate the foreign footprint for the CSI and remain with a minimum number of foreign-based CBP personnel to conduct and witness exams in coordination with our host-country counterparts, collaborate and share information with host-country counterparts and maintain the relationships developed over the past several years. CSI remains operational in all 58 ports and a variety of operational protocols for each port are being explored that will allow CSI to operate more efficiently without diminishing overall mission of CSI. CBP does not anticipate closing any CSI locations in FY 2012.

The FY 2012 request includes maintaining SFI operations in Qasim, Pakistan, as well as maintaining CSI in all 58 existing locations. The request also includes an enhancement of \$7.5 million to determine the most responsible path forward for securing maritime cargo. The Administration is working to develop a Global Supply Chain Security Strategy to improve the security of the global supply chain. This strategy will focus on all modes of transportation and will be consistent with a risk-based approach to supply chain security. This funding will be used to conduct cargo screening pilot(s) to assess alternatives to the 100% maritime cargo scanning as mandated by the Security and Accountability for Every Port (SAFE) Act. This will enable CBP to test alternatives to extend the zone of security beyond the physical borders, strengthen global supply chain security, and enhance CBP's multi-layered security strategy.

CBP continues to review how new technology can assist in securing the supply chain. Of particular interest are automatic anomaly identification and technology that use radiation and imaging to scan transshipped cargo. The use and limitations of current technology is only one of the many challenges associated with implementing the legislative mandate regarding cargo scanning included in the Implementing Recommendations of the 9/11 Commission Act of 2007.

Mr. PRICE. Thank you.
 Mr. ADERHOLT. Thank you, Commissioner.
 Mr. Carter.

BORDER SECURITY: STONEGARDEN GRANTS

Mr. CARTER. Thank you.

We have a short time scheduled here. Operation Stonegarden grants are in your budget. How are they being utilized? Has there been any mention of that today? And is there anything that is preventing them from being utilized?

Mr. BERSIN. No, sir. What we have done is channeled and funneled the Stonegarden grants, which were border related. We funneled them to the area of greatest impact and need, which is the southwest border. These funds permit local law enforcement, sheriff departments from Texas, police departments in California, to actually use their officers overtime in operations that are related to border security.

The Secretary and I are great proponents of this program, and that program will continue and hopefully be strengthened over the years to come.

Mr. CARTER. If there are ways to strengthen this program let us know what they are.

Mr. BERSIN. Thank you.

Mr. CARTER. Thank you, Mr. Chairman.

Mr. ADERHOLT. Thank you, Commissioner, for being here today. We look forward to working with you on these issues. And the meeting is adjourned.

Mr. BERSIN. Thank you, Mr. Chairman.

QUESTIONS FOR THE RECORD SUBMITTED BY

THE HONORABLE Robert Aderholt

Commissioner Bersin
FY 2012 CBP Budget

Statistics and Data

Question: Please update information provided last year on the type and volume of contraband (e.g. narcotics, fraudulent products, illegal shipped weapons) and value of smuggled currency seized or interdicted by CBP Officers and Border Patrol Agents, as well as related arrests, from FY 2010 and projected for FY 2011 – 2012.

ANSWER:

Office of Field Operations PORT SEIZURES

		FY 2010			FY 2011 YTD Ending Feb 2011		
		Inbound	Outbound	Total	Inbound	Outbound	Total
Drugs (lbs)	Air	235,527	283	235,810	81,163	384	81,547
	Land	534,847	1534	536,381	216,871	70	216,941
	Sea	27,041	120	27,161	6,355	30	6,385
Currency	Air	\$ 23,640,396	\$ 17,941,836	\$ 41,582,232	\$ 7,536,053	\$ 5,476,148	\$ 13,012,201
	Land	\$ 4,985,789	\$ 28,550,121	\$ 33,535,910	\$ 1,921,473	\$13,698,996	\$ 15,620,469
	Sea	\$ 1,990,143	\$ 274,295	\$ 2,264,438	\$ 191,377	\$ 350,000	\$ 541,377
Fraudulent Documents	Air	592	N/A	592	244	N/A	244
	Land	28,494	N/A	28,494	6,492	N/A	6,492
	Sea	32	N/A	32	14	N/A	14
Arms	Air	340	733	1,073	64	497	561
	Land	195	495	690	95	411	506
	Sea	58	1068	1,126	1	44	45
Arrests	Air	5,915	472	6,387	2,134	235	2,369
	Land	47,115	3,334	50,449	16,661	1,187	17,848
	Sea	1262	121	1,383	496	63	559
Intellectual Property Rights Seizures	All	19,959	N/A	19,959	12,197	N/A	12,197

Source: BorderStat, 21 March 2011

Economic, social, and illicit market factors, especially when combined with the evolutionary nature of smuggling routes and techniques, make it impossible to predict or project CBP enforcement statistics for future fiscal years.

Office of Border Patrol Between the Port Seizures

USBP Nationwide Narcotics, Firearms, Ammunition, and Currency Seizures
FY2010, FY2011TD through 2/28/11

Data Source: EID (Unofficial) FY2010 as of End of Year Date, FY2011TD as of 3/23/11

	FY2010		FY2011TD	
	Kilograms	Pounds	Kilograms	Pounds
Marijuana	1,102,792	2,431,214	478,376	1,054,628
Cocaine	4,744	10,459	1,054	2,324
Heroin	132	291	35	78
Methamphetamine	427	941	221	488
Ecstasy	184	405	224	494
Firearm	573		227	
Ammunition (rounds)	60,595		18,176	
Currency	\$11,721,703		\$6,094,537	

Office of Air and Marine*

	FY 2010	FY 2011 YTD Ending Mar 2011
Marijuana (lbs)	648,151	403,205
Cocaine (lbs)	183,135	61,550
Heroin (lbs)	128	70
Methamphetamine (lbs)	426	282
Total Drugs (lbs)	831,840	465,106
Currency	55,306,743	\$16,312,002
Weapons	1,109	143
Apprehensions	62,338	27,972
Arrests	1,991	1,027

Source: BorderStat FY10; TECS 31 March 2011

*OAM initiated or participated in the apprehension, arrest, seizure and/or disruption of the above .

Land Border Wait Times

Question: Please update information provided last year and list average land border wait times for privately operated vehicles and commercial vehicles, by crossing (as tracked on the CBP web page), for FY 2010.

ANSWER: Please see the chart below in response to this question.

Port	Crossing	Commercial Lane (in minutes)	Privately Owned Vehicle Lane (in minutes)
Alexandria Bay	Thousand Islands Bridge	0.5	0.9
Andrade			20.3
Blaine	Pacific Highway	10.6	12.9
Blaine	Peace Arch		12.2
Brownsville	B&M		23.3
Brownsville	Gateway		19.9
Brownsville	Los Indios	3.2	9.9

Brownsville	Veterans International	16.7	26.1
Buffalo/Niagara Falls	Lewiston Bridge	1.9	5.5
Buffalo/Niagara Falls	Peace Bridge	2.0	1.7
Buffalo/Niagara Falls	Rainbow Bridge		1.4
Buffalo/Niagara Falls	Whirlpool Bridge		0.0
Calais	Ferry Point	1.5	1.0
Calais	International Avenue	0.0	0.1
Calais	Milltown	0.7	0.4
Calexico	East	16.6	33.9
Calexico	West		41.4
Champlain		0.3	3.1
Columbus		6.4	6.3
Del Rio		0.6	4.7
Derby Line		1.1	1.0
Detroit	Ambassador Bridge	4.5	4.0
Detroit	Windsor Tunnel	5.8	6.1
Douglas		0.7	13.4
Eagle Pass	Bridge I		14.2
Eagle Pass	Bridge II	3.6	9.2
El Paso	Bridge of the Americas (BOTA)	17.1	29.8
El Paso	Paso Del Norte (PDN)		27.3
El Paso	Ysleta	10.6	28.2
Fabens	Fabens		7.1
Fort Hancock	Fort Hancock		0.3
Hidalgo/Pharr	Anzalduas International Bridge		15.2
Hidalgo/Pharr	Hidalgo		16.2
Hidalgo/Pharr	Pharr	7.9	9.7
Highgate Springs		0.3	1.5
Houlton		2.1	2.5
International Falls		0.0	3.1
Jackman		0.2	0.5
Laredo	Bridge I		18.5
Laredo	Bridge II		21.2
Laredo	Colombia Solidarity	7.3	7.8
Laredo	World Trade Bridge	26.0	
Lukeville		21.0	6.9
Lynden		6.5	10.4
Madawaska		0.8	0.8
Massena		0.0	0.7
Naco		0.2	2.7
Nogales	Deconcini		27.3
Nogales	Mariposa	22.8	34.4
Nogales	Morley Gate		
Norton		0.0	0.0
Otay Mesa	Commercial	15.7	
Otay Mesa	Passenger		27.1
Pembina		4.4	2.4
Point Roberts			4.3
Port Huron	Bluewater Bridge	6.7	5.7

Presidio		0.0	8.3
Progreso		19.3	7.7
Rio Grande City		0.6	7.2
Roma		0.4	5.2
San Luis		2.3	47.1
San Ysidro			42.3
Santa Teresa	Santa Teresa Port of Entry	7.7	18.8
Sault Ste. Marie	International Bridge - SSM	5.2	5.2
Stanton DCL	Stanton DCL		2.0
Sumas		3.3	5.5
Sweetgrass		6.9	5.3
Tecate		6.4	20.7

Reception and Representation Funds

Question: How does CBP plan to utilize its reception and representation expenses in FY12?

ANSWER: Official Reception and Representation (ORR) Fund resources will be used only for official reception and representation functions associated with, and valuable to, the conduct of U.S. Customs and Border Protection's (CBP) international and other related activities during FY12. Although CBP does not have a specific list of planned events for the representation funds, the funding will be used to support activities as they arise that help CBP achieve its mission.

Question: To date, how much has been spent in FY11, and what is the plan for the remainder of the fiscal year? Please provide detail for each expenditure.

ANSWER: FY11 representation funds spent to date total \$13,127.16 and the remaining funds will be spent on an as-needed basis to entertain both foreign and domestic officials, within or outside the borders of the United States, where the principal purpose of the event is related to CBP's mission. (See detailed expenditure report following of each event spent to date).

FY2011 CBP REPRESENTATION FUND

EVENT	AMOUNT SPENT
Office of Congressional Affairs hosted luncheon for the Senate Appropriations Committee in Harper's Ferry, West Virginia- October 8, 2010	\$138.00
Deputy Commissioner hosted dinner meeting following the I.E. Canada Conference and Trade Show on October 18, 2010	\$484.11
Dinner, luncheon and briefing hosted by Commissioner Bersin for the delegation of United Arab Emirates on October 18-21, 2010.	\$3,229.19
Protocol supplies purchased for Commissioner's Office on January 3, 2010	\$50.00
CBP Attaché, Brussels participation with US Embassy to U.S. Law Enforcement Working Group (LEWG) function held in Brussels, Belgium on December 16, 2010.	\$500.00
Commissioner and Deputy Commissioner hosted lunch meeting with Canada Border Services Agency (CBSA) President Stephen Rigby and Executive Vice President Luc Portelance to discuss several critical cross-border issues held on November 4, 2010.	\$90.00

CBP Attaché, Italy participation with US Embassy to U.S. Law Enforcement Working Group (LEWG) function held in Rome, Italy on December 6, 2010.	\$500.00
Supplies purchased for Commissioner and Deputy Commissioner's official meetings as defined in CBP Directive 1210-004A on November 18, 2010.	\$50.00
The Project North Star (PNS), the US Border Patrol's Havre Sector, Office of Border Patrol (OBP) hosted a PNS Western Region work-group meeting. PNS is a forum for circulating best practices among many US and Canadian law enforcement agencies held on Dec. 1, 2010.	\$869.92
Lunch meeting hosted by INA, Asia Division Director with 2 Taipei Economic and Cultural Representatives from Government of Taiwan. Topic of discussion includes Authorized Economic Operation/Customs-Trade Partnership Against Terrorism meeting, International Air Cargo Interdiction Training at JFK and other objectives set forth in the CBP Taiwan Strategy. The lunch meeting will be held at Washington, DC on December 6, 2010.	\$150.00
CBP Attaché, South Africa participation to upcoming South African Immigration Liaison (SAIL) luncheon. The event was held in South Africa on December 8, 2010.	\$500.00
CBP Attaché, Ottawa Canada co-sponsored a gathering at the U.S. Embassy with other U.S. Agencies. Approximately 375 Canadian Law Enforcement officers were invited to this yearly event. The event was held at Ottawa, Canada on December 8, 2010.	\$350.00
CBP Commissioner provided funding for White House event per DHS. This event will include top administration officials including, Secretary Napolitano. The event was held on December 2, 2010.	\$330.00
Purchased supplies for Commissioner and Deputy Commissioner's official meetings as defined in CBP Directive 1210-004A on December 14, 2010.	\$200.00
Working dinner hosted by Commissioner and Chief of Staff with the Mexico Government officials Congressman de Lucas, Congressman Pacchiano, and Mr. Valdivia topic of discussion are Border Security Efforts and Outreach. Working was held in Mexico on December 14, 2010.	\$389.31
Meeting refreshments for 3 days during U.S.-Mexico Bilateral Partnership meeting in Regan Building from January 11 to 13, 2011. Meeting was attended by 50 officials from US and Mexico Government.	\$201.01
Lunch hosted by CBP Officials with Mexico Government Official during U.S.-Mexico Bilateral Partnership meeting at RRB from Jan 11 to 13, 2011. Luncheon was held on Jan 12, 2011 - 40 attendees from US and Mexico.	\$600.00
Dinner Meeting hosted by CBP Commissioner and INA/Asia Division with Vice Minister Sun Yibiao and his delegation of the General Administration of Customs of the People's Republic of China (GACC) in Washington, DC on January 20, 2011. Topic of discussion - Supply Chain Security, Solid Waste, Strategic and Economic Dialogue, Air Cargo Security, IPR etc.	\$1,220.02
Lunch meeting with CBP and the Government of Mexico officials to further strengthen the bilateral relationship between CBP and its Mexico counterparts. The lunch meeting was held on January 25, 2011.	\$278.49
Roundtable luncheon hosted by CBP Commissioner, Alan Bersin with former CBP commissioners to initiate a dialogue encompassing the history and future of Customs, Immigration, and Trade issues, and to discuss the path forward	\$183.27

Two working breakfast meetings hosted by Deputy Commissioner with Border Mayors who represent the southwest border and with representatives from the Tohono O'odham nation. Topic of discussions are control border security along the border with increased violence and security efforts. Breakfast meetings were held at Tucson, Arizona on Jan 20 and 21, 2011.	\$136.98
Purchased supplies for Commissioner and Deputy Commissioner's official meetings as defined in CBP Directive 1210-004C on Feb 3, 2011.	\$500.00
Commissioner is hosted a meeting for senior executives from CBP and U.S. northern Command (USNORTHCOM). The meeting will advance CBP's execution of its mission by deepening the collaboration between CBP and USNORTHCOM. The meeting was held at Davis-Monthan Air Force Base in Tucson, Arizona on Feb 2, 2011.	\$404.00
CBP/INA entertained 100 participants from SCCP APEC delegates from 21 member economies during working dinner/meeting on March 3, 2011 in Washington, DC.	\$250.00
Commissioner hosted luncheon for the Turkish delegation following their visit to the Otay Mesa Port on Feb 9, 2011 in Chula Vista and dinner meeting with the Turkish Minister of State and his wife on Feb 9, 2011 in San Diego, CA.	\$1,022.86
Commissioner conducted a community outreach with Non-Governmental Agencies (NGOs) in Seattle, Washington on March 22, 2011, with light refreshments.	\$500.00
	\$13,127.16

Travel

Question: Please provide for the record a table that shows all funds expended by CBP political employees for travel in 2010. Include name of individual traveling, purpose of travel, location(s) visited, total days/partial days, and total cost.

ANSWER: See Table Below:

Individual Traveling	Purpose of Travel	Location(s) visited	Total Days/ Partial Days	Total Cost
Alan Bersin	TRIP TO MAINE	BOSTON/SUFFOLK CITY, MA BANGOR, ME HOULTON, ME	4	1,352.33
Alan Bersin	BORDER VISION LAREDO AND EL PASO TX	LAREDO, TX EL PASO, TX	3	2,207.46
Alan Bersin	BORDER VISION MEETINGS BAJA MAYORS CONFERENCE	SAN DIEGO, CA	3	693.80
Alan Bersin	ADVISORY COMMITTEE ON COMMERCIAL OPERATIONS OF CUSTOMS AND BORDER PROTECTION (COAC) MEETING	PHILADELPHIA, PA	1	316.50
Alan Bersin	WORLD CUSTOMS ORGANIZATION (WCO) MEETING IN GUATEMALA	GUATEMALA CITY, GUAT. GT	3	1,291.70
Alan Bersin	DEVELOPING/IMPLEMENTING BORDER VISION	NOGALES, AZ PHOENIX/SCOTTSDALE, AZ	3	696.25
Alan Bersin	EL PASO INTELLIGENCE CENTER (EPIC)	EL PASO, TX SAN DIEGO, CA	10	2,095.42

Alan Bersin	SPEECH AT CONECT EVENT IN BOSTON, MA	BOSTON, MA	1	222.90
Alan Bersin	ATTEND WORLD CUSTOMS ORGANIZATION COUNCIL MEETING	BRUSSELS, BE	4	4,366.00
Alan Bersin	SPEECH IN MIAMI, PROGRAM/SITE VISIT TO SANTO DOMINGO, DR AND SAN JUAN, PR	MIAMI, FL SANTO DOMINGO, DR SAN JUAN, PR	7	1,968.33
Alan Bersin	WHITE HOUSE VISIT TO PHOENIX AND TUCSON	TUCSON, AZ PHOENIX, AZ	2	179.61
Alan Bersin	PRESENT BORDER VISION TO AUDIENCES IN TOLUCA AND MEXICO CITY, MEXICO	MEXICO CITY, MX LAREDO, TX	5	3,323.34
Alan Bersin	ATTEND COAC MEETING IN DETROIT	DETROIT, MI	1	486.90
Alan Bersin	PROGRAM/SITE VISIT	NYC/BROOKLYN, NY	1	283.85
Alan Bersin	SPEAK AT BORDER SECURITY CONFERENCE EL PASO/SPEAK AT BEST CONFERENCE SAN DIEGO, BRIEFING IN NOGALES	EL PASO, TX NOGALES, AZ SAN DIEGO, CA	6	1,226.75
Alan Bersin	ACCOMPANY SECRETARY NAPOLITANO TO MONTANA FOR SITE/PROGRAM VISITS	GREAT FALLS, MT CHICAGO, IL	3	600.34
Alan Bersin	SPEAKING EVENT, PROGRAM/SITE VISITS, TO INCLUDE FUNERAL FOR CBP EMPLOYEE 8/27/10	SAN DIEGO, CA	8	1,005.30
Alan Bersin	ATTEND PRESS EVENT IN CORPUS CHRISTI AND SPEAK AT CONFERENCE IN MCALLEN, TX	CORPUS CHRISTI, TX MCALLEN, TX	2	879.53
Alan Bersin	ATTEND ASIA-PACIFIC ECONOMIC COOPERATION (APEC) MEETING IN TOKYO JAPAN/PORT TOUR IN SAN FRANCISCO	TOKYO, JP KYOTO, JP SAN FRANCISCO, CA	6	5,328.59
Marco Lopez	ATTENDING GROUND BREAKING CEREMONY NOGALES MTGS	TUCSON, AZ NOGALES, AZ	6	1,230.13
Marco Lopez	STAKEHOLDER ROUNDTABLE IN LA	LOS ANGELES, CA	2	1,006.81
Marco Lopez	TOUR OF PEACE BRIDGE	BUFFALO, NY	2	1,006.81
Marco Lopez	MEET W/FEDERAL REPS AND STAKEHOLDER MTG	MEXICO CITY, MEXICO, MX PHOENIX, AZ BROWNSVILLE, TX	4	2,502.09
Marco Lopez	MEETING WITH TUCSON SECTOR BORDER PATROL	HOUSTON, TX TUCSON, AZ	3	1,843.31
Marco Lopez	NON-GOVERNMENTAL ORGANIZATION (NGO) MEETING'S AND STAKEHOLDER OUTREACH	SAN DIEGO, CA	2	1,696.14
Marco Lopez	SPEAKING ENGAGEMENT AT AMERICAN IMMIGRATION LAWYERS ASSOCIATION (AILA) RE: IMMIGRATION REFORM	JACKSONVILLE, FL	2	1,136.54
Marco Lopez	ATTEND HOMELAND SECURITY ADVISORY COUNCIL (HSAC) CONFERENCE	NYC/MANHATTAN, NY	2	691.22
Marco Lopez	MTG IN TUCSON PORT OF ENTRY, MEETING IN MEXICO CITY WITH SECRETARY INTERNATIONAL SECURITY SUMMIT	TUCSON, AZ MEXICO CITY, MEXICO, MX	7	3,031.23
Marco Lopez	BORDER SECURITY MEETING AND A SPEAKING ENGAGEMENT	MEXICO CITY, MEXICO VERACRUZ, MEXICO PHOENIX/SCOTTSDALE, AZ	6	4,154.75
Marco Lopez	INTERNATIONAL AVIATION SECURITY CONFERENCE	MEXICO CITY, MEXICO	5	4,559.60

Marco Lopez	BORDER VISION MEETING AND BAJA MAYORS CONFERENCE TECHNOLOGY CNF W/MEXICAN OFFICIALS, COAC	SAN DIEGO, CA TUCSON, AZ MEXICO CITY, MEXICO, MX PHILADELPHIA, PA	7	2,036.97
Marco Lopez	BORDER VISION W/STAKEHOLDERS TUCSON STAKEHOLDERS AT CHAMBER OF COMMERCE/ALBUQUERQUE	TUCSON, AZ ALBUQUERQUE, NM	5	1,369.79
Marco Lopez	WCO MEETINGS	GUATEMALA CITY, GUAT, GT	3	1,443.65
Marco Lopez	BORDER VISION MEETING W/STAKEHOLDERS	NOGALES, AZ PHOENIX/SCOTTSDALE, AZ	3	865.35
Marco Lopez	EXECUTIVE STEERING COMMITTEE MEETING IN SAN DIEGO	SAN DIEGO, CA	5	1,959.80
Marco Lopez	WORLD CUSTOMS ORGANIZATION CONFERENCE	BRUSSELS, BE	5	4,375.67
Marco Lopez	ATTENDING C COMMISSIONER BERSIN SPEECH IN MIAMI/PROGRAM/SITE VISIT IN SANTO DOMINGO AND SAN JUAN	MIAMI, FL SANTO DOMINGO, DR SAN JUAN, PR	7	2,008.78
Marco Lopez	PREP WORK FOR COMMISSIONER'S VISIT TO MEXICO AND DHS SECRETARY NAPOLITANO VISIT TO LAREDO, TX	TUCSON, AZ MEXICO CITY, MX	8	2,725.49
Marco Lopez	TRAVELING W/ COMMISSIONER BERSIN FOR MEETING W/MEXICAN OFFICIALS RE CBP PRIORITIES	MEXICO CITY, MEXICO	4	1,724.15
Marco Lopez	VISIT JOHN F. KENNEDY AIRPORT (JFK) CARGO SCREENING OPERATIONS	NYC/MANHATTAN, NY	2	640.37
Marco Lopez	TOUR NORTHERN BORDER	GREAT FALLS, MT CHICAGO, IL	3	570.02
Marco Lopez	SAN FRANCISCO PORT TOUR WITH C1	SAN FRANCISCO, CA	3	1,469.62
Grady Harn	ATTENDING GROUND BREAKING CEREMONY NOGALES MTGS STAKEHOLDER ROUNDTABLE IN LA	NOGALES, AZ LOS ANGELES, CA	6	1,381.10
Grady Harn	MEETING WITH FEDERAL REPRESENTATIVES IN MEXICO	MEXICO CITY, MEXICO	4	1,687.19
Grady Harn	ATTENDING SPEAKING ENGAGEMENT W/CHIEF OF STAFF AT AILA RE IMMIGRATION REFORM	JACKSONVILLE, FL	2	904.54
Grady Harn	ATTENDING BRIDGE CEREMONY LAREDO, TX	LAREDO, TX	2	1,496.25
Grady Harn	BORDER VISION MTG W/ STAKEHOLDERS IN TUCSON STAKEHOLDERS MTG AT CHAMBER OF COMMERCE ALBUQUERQUE	TUCSON, AZ ALBUQUERQUE, NM	5	1,632.33
Grady Harn	BORDER VISION MTG W/STAKEHOLDERS	NOGALES, AZ PHOENIX/SCOTTSDALE, AZ	3	915.80
Grady Harn	SPEECH IN MIAMI PROGRAM/SITE VISIT TO SANTO DOMINGO AND SAN JUAN	MIAMI, FL SANTO DOMINGO, DR	4	1,473.96
Grady Harn	PREP WORK FOR COMMISSIONER'S VISIT TO MEXICO AND DHS SECRETARY NAPOLITANO VISIT TO LAREDO, TX	TUCSON, AZ MEXICO CITY, MX	8	2,743.48
Melanie Roe	CUSTOMS TRADE PARTNERSHIP AGAINST TERRORISM (C-TPAT) CONFERENCE	LOS ANGELES, CA	3	990.29

Melanie Roe	TRIP W/COMMISSIONER BORDER VISION LAREDO AND EL PASO	LAREDO, TX EL PASO, TX	3	1,681.46
Melanie Roe	TOWN HALL MEETING	BURLINGTON, VT	2	1,478.93
Melanie Roe	PREP WORK FOR COMMISSIONER'S VISIT TO MEXICO	MEXICO CITY, MEXICO	4	1,758.06
Melanie Roe	ACCOMPANYING COMMISSIONER, PRESENT BORDER VISION TO AUDIENCES IN TOLUCA AND MEXICO	MEXICO CITY, MEXICO	3	1,515.44
Melanie Roe	TRAVEL TO SCOBEEY, MT FOR TOWN HALL WITH SEN. TESTER ON WHITETAIL POE	SCOBEEY, MT REGINA, SASKATCHEWAN, CN	3	2,986.71
Brett Laduzinsky	STAKEHOLDER MEETING	BROWNSVILLE, TX	2	1,074.32
Brett Laduzinsky	STAKEHOLDER OUTREACH MEETING WITH NGO GROUPS	SAN DIEGO, CA	3	1,554.84
Brett Laduzinsky	ACCOMPANYING THE COMMISSIONER TO CONECT MTG	BOSTON/SUFFOLK CNTY, MA	1	238.40
Brett Laduzinsky	STAFF COMMISSIONER BERSIN FOR SPEAKING ENGAGEMENT CANINE GRADUATION AND BORDER SECURITY CONF TOUR OPERATIONS/MEDIA EVT	EL PASO, TX NOGALES, AZ	3	813.66
J. Chappell Lawson	MEETING IN MEXICO WITH CHIEF OF STAFF	MEXICO CITY, MEXICO	5	2,765.94
J. Chappell Lawson	MEETING WITH MEXICAN OFFICIALS	MEXICO CITY, MEXICO	6	2,868.83
J. Chappell Lawson	SOUTHWEST BORDER TASK FORCE MEETING	CHARLESTON/BERKELEY, SC	2	484.30
Michael Yeager	BORDER SECURITY CONFERENCE	EL PASO, TX	2	695.80
Michael Yeager	MEETING WITH BORDER PATROL/SEN HARRY REID	LAS VEGAS, NV	2	944.62
Michael Yeager	CHAIRMAN THOMPSON VISIT/REP GIFFORDS	TUCSON, AZ	3	1,018.20
Michael Yeager	TRAVEL WITH COMMISSIONER BERSIN, HOUSE STAFF DEL SWB Travel with C1, House STAFFDEL SWB	LAREDO/EL PASO, TX; TUCSON/PHOENIX/SCOTTSDALE, AZ	3	1,654.95
Toni Morales	TOWN HALL MTG WITH SEN TESTER ON WHITEHALL POE	SCOBEEY, MT/REGINA, SASKATCHEWAN, CN	3	931.00
Toni Morales	SEN KYL/MCCAIN TRIP TO THE BORDER	PHOENIX/SCOTTSDALE, AZ	4	1,915.45
Toni Morales	SEN MCCAIN TRAVEL TO AZ	PHOENIX/SCOTTSDALE, AZ	4	1,194.45
Toni Morales	TOWN HALL MTG WITH SEN LEAHY'S OFFICE	BURLINGTON, VT	2	1,268.00
Toni Morales	TRAVEL WITH COMMISSIONER TO VIEW NORTHERN BORDER (NB) OPERATIONS/BRIEFING ON NB SECURITY	BAR HARBOR AND HOULTON, MAINE	4	1,435.15
Toni Morales	KIRKPATRICK DELEGATION TO VIEW POES AND CHECKPOINTS ALONG THE SW BORDER	TUCSON, AZ	4	1,856.00
Toni Morales	TRAVEL WITH KIRKPATRICK TO VIEW SBINET AND PORT OPERATIONS	TUCSON, AZ	3	1,728.47
Toni Morales	CONGRESSIONAL INTERESTS WITH CBP PROCESSING OF HAITIAN ORPHANS	MIAMI, FL	7	3,019.91
Maria Luisa O'Connell	LAREDO DEVELOPMENT FOUNDATION SYMPOSIUM	LAREDO, TX	3	888.80
Maria Luisa O'Connell	BORDER TRADE ALLIANCE (BTA) CONFERENCE WITH COMMISSIONER	MCALLEN, TX	2	1,068.30
Maria Luisa	TOURING LAW ENFORCEMENT	GLYNCO, GA	2	705.90

O'Connell	ACADEMY WITH ASSISTANT COMMISSIONER DUFFY			
Maria Luisa O'Connell	ATTENDING CBP LEADERSHIP INSTITUTE CONFERENCE	CHICAGO, IL	3	881.75
Maria Luisa O'Connell	COAC CONFERENCE AND TOWN HALL WITH COMMISSIONER	DETROIT, MI	2	840.50
Maria Luisa O'Connell	TOUR OF POE IN YUMA WITH KEY LEADERSHIP	PHOENIX/SCOTTSDALE, AZ	6	2,037.49
Maria Luisa O'Connell	OFFICE OF AIR AND MARINE CONFERENCE	MIAMI, FL	3	1,047.69
Maria Luisa O'Connell	MEET WITH DIRECTOR OF FIELD OPERATIONS (DFO) AND BRANCH CHIEFS IN PHOENIX	PHOENIX/SCOTTSDALE, AZ	3	1,719.39
Maria Luisa O'Connell	ATTENDING CANADA BORDER SERVICES AGENCY COMMUNICATIONS CONFERENCE	OTTAWA, CN	3	1,590.39
Maria Luisa O'Connell	COAC MEETING WITH COMMISSIONER	PHILADELPHIA, PA	1	388.00
Maria Luisa O'Connell	PUBLIC AFFAIRS OFFICE (PAO) CONFERENCE IN MEXICO CITY	MEXICO CITY, MX	3	1,821.43
Maria Luisa O'Connell	NORTH AMERICAN CLEAN ENERGY CONFERENCE AND PORT TOUR MEETINGS WITH DFO	SAN DIEGO, CA; PHOENIX/SCOTTSDALE, AZ	4	1,433.00
Maria Luisa O'Connell	WOMEN'S HISTORY PROGRAM GUEST SPEAKER	INDIANAPOLIS, IN	2	831.88
Maria Luisa O'Connell	TOUR OF OFFICE OF TRAINING AND DEVELOPMENT (OTD) CANINE CENTER AND MEETING WITH NGO'S	EL PASO, TX	2	1,107.25
Maria Luisa O'Connell	TOURS OF LOS ANGELES AND TUCSON	LONG BEACH, CA; TUCSON, AZ	6	1,955.50
Maria Luisa O'Connell	STAKEHOLDER OUTREACH MEETING	SAN DIEGO, CA	3	1,286.00
Maria Luisa O'Connell	NGO MEETING	BROWNSVILLE, TX	2	1,167.29
Maria Luisa O'Connell	RIBBON CUTTING IN CALAIS/STAKEHOLDER MEETING	CALAIS, ME	2	1,093.80
Maria Luisa O'Connell	TEXAS BORDER COALITION TOUR AIR BRANCH	LAREDO, TX	3	1,095.90
Maria Luisa O'Connell	METINGS/EVENTS WITH AIR AND MARINE	SAN JUAN, PR	4	1,609.34

Contracts

Question: Please provide for the record the number of noncompetitive contracts CBP has entered into in FY10, what is anticipated in FY11 – 12, and an explanation as to why a non-competitive contract was chosen. As part of this response, please clearly delineate other transactional agreements and those purchases made from the GSA approval listings.

ANSWER: There were 906 non-competitive awards issued in FY10. Of those, four were against GSA schedules. The reasons cited in the Federal Procurement Data System (FPDS) for the non-competitive awards are shown in the table below.

Other than Full and Open Competition – Breakdown	Total	Percentage of Grand Total
Only One Source	590	65.13%
Authorized by Statute	116	12.80%
Urgency	123	13.58%

Follow-On Contract	38	4.19%
Below Micro Purchase Threshold	20	2.21%
Brand Name Description	8	0.88%
Patent Data Rights	5	0.55%
Mobilization, Essential R&D	3	0.33%
Standardization	3	0.33%
Grand Total	906	100.00%

CBP does not enter into other transactional agreements. For FY11, the level of specificity requested cannot be provided for anticipated noncompetitive contracts because CBP is still finalizing its FY11 budget execution plan. However, the CBP goal for FY11 is that 77% of all procurement dollars will be awarded competitively. For FY12, the goal has not been established and pending final budget decisions for that year, CBP will be better positioned to finalize the goal.

Question: In total, how much of your awards are competitive? Please answer in dollar amount and percentage.

ANSWER: During FY 2010, CBP awarded \$2,216,059,841.49, or 82.18%, of its procurement dollars competitively. The FY 2010 CBP goal was to award 75% of its procurement dollars competitively.

Results were based on the Federal Procurement Data System Standard Competition Report that was run on March 22, 2011.

Question: Update and submit, through the most recent month available, the list provided in last year's hearing record regarding Sole Source Contracts. Organize by contractor, purpose, appropriation account, dollar award, full performance value, contract start date, contract end date, and reason for going sole-source.

ANSWER:

[illegible]

JOHNS HOPKINS UNIVERSITY APPLIED PHYSICS LABORATORY LLC, THE	SUBJECT MATTER EXPERTS FOR SYSTEM ENGINEERING AND TECHNICAL SUPPORT SERVICES IN SUPPORT OF THE SECURE BORDER INITIATIVE (SBI) SYSTEMS ENGINEERING PROGRAM OFFICE(SPO)	70 0533	\$11,249,380.00	\$11,249,380.00	11/01/2010	10/31/2011	10/31/2013	ONLY ONE SOURCE - OTHER	HSBP1011 C00007
MOTOROLA, INC.	LAND MOBILE RADIO EQUIPMENT AND SERVICES	70 0533	\$30,018,335.46	\$30,018,335.46	05/28/2010	05/27/2012	05/27/2012	ONLY ONE SOURCE - OTHER	HSBP1010 C00056
APPROPRIATION ACCOUNT (TREASURY ACCOUNT SYMBOL) 07 0544 - Air and Marine Interdiction, Operations, Maintenance, and Procurement, U.S. Customs and Border Protection, Homeland Security									
GENERAL ATOMICS AERONAUTICAL SYSTEMS, INC.	UAS OPERATIONAL AND MAINTENANCE SERVICES	70 0544	\$9,750,476.00	\$67,580,786.00	07/01/2010	12/31/2010	12/31/2011	ONLY ONE SOURCE - OTHER	HSBP1010 C00071
CITY LIGHT & POWER, INC.	TRANSFORMER WORK FOR AMOC MODULAR PROJECT.	70 0544	\$24,973.00	\$24,973.00	08/23/2010	10/22/2010	10/22/2010	UNIQUE SOURCE	HSBP1010 C00102
GENERAL ATOMICS AERONAUTICAL SYSTEMS, INC.	ON JANUARY 11, 2010 THE UAS PROGRAM OFFICE RECEIVED AN ADVANCED PROPOSAL FOR DHS/CBP QUICK BUY HARDWARE REQUIREMENTS FOR UNMANNED AIRCRAFT SYSTEMS (UAS) FROM GENERAL ATOMICS (GA) AERONAUTICAL SYSTEMS INC.	70 0544	\$13,684,992.00	\$13,684,992.00	05/21/2010	05/20/2012	05/20/2012	ONLY ONE SOURCE - OTHER	HSBP1010 C00026

Question: Please provide for the record a list of all contracts over \$1 million in total value executed by CBP in 2010. Organize by contractor, purpose, dollar award, full performance value, contract start date, contract end date, and contract type (e.g. firm-fixed price, etc.).

ANSWER:

Fiscal Year 2010 - 10/01/09 through 09/30/10 (Data extracted from FPDS-NG 03/22/11)								
Contractor	Purpose	Dollar Value	Full Performance Dollar Value	Start Date	End Date	Full Performance End Date	Contract Type	Contract Number
AMERICAN SCIENCE AND ENGINEERING, INC.	HIGH ENERGY MOBILE SYSTEMS, TRAINING AND WARRANTY	\$11,847,649.00	\$11,847,649.00	03/17/10	12/31/10	12/31/10	FIRM FIXED PRICE	HSBP1010C00017
AMERICAN SCIENCE AND ENGINEERING, INC.	TAS-70 0534-TAS HIGH ENERGY MOBILE X-RAY SYSTEMS ARRA YES-ARRA	\$9,144,097.00	\$9,144,097.00	10/08/09	04/30/10	04/30/10	FIXED PRICE	HSBP1010C02338
AMERICAN SCIENCE AND ENGINEERING, INC.	TAS-70 0534-TAS LOW ENERGY MOBILE IMAGING SYSTEM	\$19,335,950.00	\$19,335,950.00	10/09/09	09/30/10	09/30/11	FIRM FIXED PRICE	HSBP1010C02325

ASHBURN CONSULTING	NETWORK AND COMMUNICATION SUPPORT SERVICES	\$1,187,540.80	\$1,187,540.80	06/01/10	05/31/11	05/31/12	LABOR HOURS	HSBP1010C00074
B3 SOLUTIONS, LLC	ACQUISITION SUPPORT SERVICES	\$1,316,248.27	\$1,316,248.27	02/19/11	08/18/11	02/18/12	FIRM FIXED PRICE	HSBP1011C00027
BBIX, LLC	RECOVERY... DESIGN BUILD CONSTRUCTION OF LAND PORT OF ENTRY AT BRIDGEWATER, MAINE	\$7,457,000.00	\$7,457,000.00	09/30/10	10/31/12	10/31/12	FIRM FIXED PRICE	HSBP1010C00098
BROOALEXA DESIGN JOINT VENTURE LLC	DESIGN DORMITORIES AT THE CBP ADVANCED TRAINING CENTER	\$2,750,940.00	\$2,750,940.00	10/22/09	06/18/10	06/18/10	FIRM FIXED PRICE	HSBP1010C02392
CHICKASAW ADVISORY SERVICES, LLC	PURCHASE OF CHAWK DATABASE LICENSES	\$1,052,167.80	\$1,052,167.80	09/29/10	09/28/11	09/28/13	FIRM FIXED PRICE	HSBP1010C00111
COMPASS SYSTEMS CONSULTING, INC	CONTRACTOR WILL PROVIDE A WIDE RANGE OF ACQUISITION SUPPORT SERVICES FOR THE OFFICE OF ADMINISTRATION AND PROCUREMENT DIRECTORATE	\$1,687,612.57	\$1,687,612.57	05/01/10	03/21/11	03/21/12	TIME AND MATERIALS	HSBP1010C00058
COMPASS SYSTEMS CONSULTING, INC	THE PURPOSE OF THIS REQUIREMENT IS TO PROVIDE ACQUISITION & PROGRAM MANAGEMENT SUPPORT SERVICES FOR THE SECURE BORDER INITIATIVE ACQUISITION MANAGEMENT DIVISION (AMD)	\$1,625,700.23	\$1,625,700.23	05/01/10	03/21/11	03/21/11	TIME AND MATERIALS	HSBP1010C00059
CON TECH BUILDING SYSTEMS, INC.	DESIGN/CONSTRUCTION LAND PORT OF ENTRY, CANNON CORNERS, NY	\$7,499,050.00	\$7,499,050.00	04/23/10	04/10/12	04/10/12	FIRM FIXED PRICE	HSBP1010C00052
CTSC, LLC	ADMINISTRATIVE ACTION CHANGING CONTRACT NUMBER ONLY FOR CONTRACT HSBP1004C00193 PRIME INTEGRATION CONTRACT. CONGRESSIONAL NOTIFICATION OF AWARD MADE SEPTEMBER 2003	\$21,800,000.00	\$457,995,213.82	02/01/10	09/28/10	09/28/13	COST PLUS AWARD FEE	HSBP1010C00023
DEFENSE SUPPORT SERVICES LLC	NATIONAL AIRCRAFT MAINTENANCE AND LOGISTICS SUPPORT	\$1,342,153.00	\$1,342,153.00	11/13/09	01/31/10	09/30/19	COST PLUS INCENTIVE FEE	HSBP1010C00002
EG&G TECHNICAL SERVICES, INC.	UNCLAIMED ABANDONED MERCHANDISE	\$1,290,744.00	\$5,328,193.00	10/01/09	09/30/10	09/30/13	TIME AND MATERIALS	HSBP1010C02283
FLIR SYSTEMS, INC.	THERMAL IMAGING DEVICES	\$2,628,334.52	\$2,628,334.52	09/15/10	03/31/11	03/31/11	FIRM FIXED PRICE	HSBP1010C00104
GENERAL ATOMICS AERONAUTICAL SYSTEMS, INC.	ON JANUARY 11, 2010, THE UAS PROGRAM OFFICE RECEIVED AN ADVANCED PROPOSAL FOR DHS/CBP QUICK BUY HARDWARE REQUIREMENTS FOR UNMANNED AIRCRAFT SYSTEMS (UAS) FROM GENERAL	\$13,684,992.00	\$13,684,992.00	05/21/10	05/20/12	05/20/12	FIRM FIXED PRICE	HSBP1010C00026

	ATOMICS (GA) AERONAUTICAL SYSTEMS INC.							
GENERAL ATOMICS AERONAUTICAL SYSTEMS, INC.	UAS OPERATIONAL AND MAINTENANCE SERVICES	\$9,750,476.00	\$9,750,476.00	07/01/10	12/31/10	12/31/11	TIME AND MATERIALS	HSBP1010C00071
GLOBAL MARITEK SYSTEMS, INC.	VESSEL MAINTENANCE	\$4,340,689.05	\$4,340,689.05	10/28/04	03/31/10	03/31/10	COST PLUS AWARD FEE	HSBP1010C00014
GLOBAL MARITEK SYSTEMS, INC.	VESSEL MAINTENANCE AND LOGISTIC SERVICES	\$3,936,903.50	\$163,936,463.00	10/01/10	09/30/11	09/30/15	COST PLUS AWARD FEE	HSBP1010C00120
GLOBAL MARITEK SYSTEMS, INC.	VESSEL MAINTENANCE CONTRACT	\$5,961,500.00	\$5,961,500.00	04/01/10	09/30/10	09/30/10	COST PLUS AWARD FEE	HSBP1010C00053
J P INDUSTRIES INC.	JANITORIAL	\$3,405,482.90	\$3,405,482.90	10/01/09	09/30/10	09/30/11	FIRM FIXED PRICE	HSBP1010C00015
L-3 COMMUNICATION S VERTEX AEROSPACE LLC	NATIONAL AIRCRAFT MAINTENANCE	\$7,145,945.00	\$7,145,945.00	12/22/09	01/31/10	01/31/10	COST PLUS AWARD FEE	HSBP1010C00012
MOTOROLA, INC.	LAND MOBILE RADIO EQUIPMENT AND SERVICES	\$30,018,335.46	\$30,018,335.46	05/28/10	05/27/12	05/27/12	FIRM FIXED PRICE	HSBP1010C00056
MOTOROLA, INC.	LAND MOBILE RADIO MAINTENANCE, REPAIR AND SERVICE	\$1,078,208.64	\$1,078,208.64	10/01/10	03/31/11	03/31/11	FIRM FIXED PRICE	HSBP1011C00004
NORTHWIND ENGINEERING, L.L.C.	SUPPLY CHAIN MANAGEMENT OF COMMUNICATION SITE EQUIPMENT, SHELTERS AND MATERIALS FOR THE MODERNIZATION OF CBPPS LAND MOBILE RADIO (LMR) SYSTEM IN THE HOULTON FOCUS AREA WITHIN THE STATE OF MAINE	\$7,197,144.66	\$7,197,144.66	08/11/10	08/10/12	08/10/12	FIRM FIXED PRICE	HSBP1010C00089
P & S CONSTRUCTION INC.	DESIGN/CONSTRUC TION OF LAND PORT OF ENTRY, HAMLIN, ME	\$9,457,000.00	\$9,457,000.00	04/23/10	04/14/12	04/14/12	FIRM FIXED PRICE	HSBP1010C00046
RANDOLPH CONSTRUCTION SERVICES, INC.	DESIGN/CONSTRUC TION OF LAND PORT OF ENTRY- BOUNDARY COLEVILLE, WA	\$11,038,808.00	\$11,038,806.00	04/23/10	04/14/12	04/14/12	FIRM FIXED PRICE	HSBP1010C00041
RAPISCAN SYSTEMS, INC.	LARGE-SCALE NON- INTRUSIVE INSPECTION HIGH- ENERGY MOBILE X- RAY SYSTEM FOR SELECT PORTS OF ENTRY (POES) OF THE U.S. CUSTOMS AND BORDER PROTECTION (CBP)	\$24,207,500.00	\$24,207,500.00	09/24/10	12/31/11	12/31/13	FIRM FIXED PRICE	HSBP1010C00107
RAPISCAN SYSTEMS, INC.	TAS:70 0534: TAS HIGH ENERGY MOBILE X-RAY SYSTEMS ARRA: YES: ARRA	\$17,647,260.00	\$17,647,260.00	10/09/09	12/02/10	12/02/10	FIXED PRICE	HSBP1010C02373
REARCH COMPANY, LLC	DESIGN/CONSTRUC TION OF LAND PORT OF ENTRY, MORSESLINE, VT	\$4,919,000.00	\$4,919,000.00	04/23/10	04/10/12	04/10/12	FIRM FIXED PRICE	HSBP1010C00045

ROCK INDUSTRIES, INC.	THE SCOPE OF THIS CONTRACT IS FOR A CONSTRUCTION FIRM TO PROVIDE CONSTRUCTION SERVICES FOR THE NEW IOCC FACILITY AT SELFLEDGE ANG8 (1515 BUILDING). THIS HAS 8879 SQUARE FEET OF USABLE SPACE AND LOCATED ACROSS THE PARKING LOT FROM BUILDING 1509 WHICH IS CURRENTLY OCCUPIED BY DETROIT SECTOR HEADQUARTERS BORDER PATROL OFFICES. CONSTRUCTION WORK WILL BE PERFORMED AND COORDINATED WITH THE A/E DESIGN WORK, THE ABATEMENT WORK AND THE DEMOLITION WORK PREVIOUSLY AUTHORIZED UNDER SEPARATE CONTRACTS.	\$2,086,929.95	\$2,086,929.95	03/15/10	10/11/10	10/11/10	FIRM FIXED PRICE	HSBP1010C00038
SAN BERNARDINO, COUNTY OF	THE SCOPE OF THIS EFFORT IS TO ACQUIRE FACILITIES AND SUPPORT SERVICES TO DELIVER BORDER PATROL ACADEMY INSTRUCTOR-LED TRAINING COURSES (EMERGENCY DRIVING, VEHICULAR PURSUIT TRAINING PROGRAM-EDVPPI) TO INCUMBENT OBP AGENTS AND CUSTOMS AND BORDER PROTECTION OFFICERS.	\$1,230,610.08	\$1,230,610.08	06/09/10	06/08/11	06/08/15	FIRM FIXED PRICE	HSBP1010C00035
SEK SOLUTIONS LLC	FLIR MILCAM RECON III LOCATOR QTY 37	\$3,404,000.00	\$3,404,000.00	09/29/10	03/31/11	03/31/11	FIRM FIXED PRICE	HSBP1010C00118
SHERIDAN CORPORATION, THE	DESIGN & BUILD NEW LPOE	\$6,763,500.00	\$6,763,500.00	09/01/10	09/14/12	09/14/12	FIRM FIXED PRICE	HSBP1010C00101
SMITHS DETECTION, INC.	HIGH ENERGY MOBILE X-RAY SYSTEMS, TRAINING AND WARRANTY	\$12,550,563.00	\$12,550,563.00	03/17/10	12/31/10	12/31/10	FIRM FIXED PRICE	HSBP1010C00016
TRAINING, REHABILITATION, & DEVELOPMENT INSTITUTE, INC.	CUSTODIAL AND GROUNDS KEEPING SERVICES FOR RGV SECTOR BORDER PATROL	\$1,967,070.60	\$9,993,469.99	11/01/09	10/31/10	10/31/14	FIRM FIXED PRICE	HSBP1010C00030
VF IMAGEWEAR, INC.	DHS NATIONAL UNIFORM PROGRAM	\$12,689,044.04	\$12,689,044.04	10/01/09	09/30/10	09/30/11	FIRM FIXED PRICE	HSBP1010C00018
WILLIAMS BUILDING COMPANY, INC.	DESIGN AND CONSTRUCT LPOE AT LOS EBANOS, TX	\$6,960,177.00	\$6,960,177.00	08/10/10	05/09/12	05/09/12	FIRM FIXED PRICE	HSBP1010C00042
WILLOW CREEK CONSTRUCTION OF BROWNING	DESIGN AND BUILD NEW LPOE	\$5,807,586.00	\$5,807,586.00	04/22/10	04/10/12	04/10/12	FIRM FIXED PRICE	HSBP1010C00040

Question: Please provide for the record a list of all CBP contracts, grants, and other transactions where work is performed outside of the United States. Organize by contractor, purpose, dollar award, full performance value, contract start date, and contract end date.

Data extracted from FPDS-NG 03/30/11								
Vendor Name	Description of Requirement	Base and Exercised Options Value	Base and All Options Value	Date Signed	Completion Date	Est. Ultimate Completion Date	Principal Place of Performance Country Name	Contract Number
ACROHELIPRO GLOBAL SERVICES IN	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	05/02/06	07/07/06	04/30/11	CANADA	HSBP1006J11238
ACROHELIPRO GLOBAL SERVICES IN	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	05/02/06	07/07/06	04/30/11	CANADA	HSBP1006J11240
ACROHELIPRO GLOBAL SERVICES IN	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	05/02/06	07/07/06	04/30/11	CANADA	HSBP1006J11242
ACROHELIPRO GLOBAL SERVICES IN	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	05/02/06	07/10/06	04/30/11	CANADA	HSBP1006J11244
ACROHELIPRO GLOBAL SERVICES IN	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	05/02/06	07/10/06	04/30/11	CANADA	HSBP1006J11253
ACROHELIPRO GLOBAL SERVICES IN	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	05/31/06	07/28/06	04/30/11	CANADA	HSBP1006J11521
ACROHELIPRO GLOBAL SERVICES IN	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	06/01/06	07/05/06	04/30/11	CANADA	HSBP1006J11545
ACROHELIPRO GLOBAL SERVICES IN	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	06/01/06	07/26/06	04/30/11	CANADA	HSBP1006J11550
ACROHELIPRO GLOBAL SERVICES IN	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	06/01/06	07/26/06	04/30/11	CANADA	HSBP1006J11553
ACROHELIPRO GLOBAL SERVICES IN	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	06/01/06	07/27/06	04/30/11	CANADA	HSBP1006J11547
ACROHELIPRO GLOBAL SERVICES IN	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	06/01/06	07/27/06	04/30/11	CANADA	HSBP1006J11551
ACROHELIPRO GLOBAL SERVICES IN	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	06/01/06	07/31/06	04/30/11	CANADA	HSBP1006J11546
ACROHELIPRO GLOBAL SERVICES IN	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	06/01/06	07/31/06	04/30/11	CANADA	HSBP1006J11552
ACROHELIPRO GLOBAL SERVICES IN	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	06/01/06	08/22/06	04/30/11	CANADA	HSBP1006J11549

ACROHELIPRO GLOBAL SERVICES IN	REPAIR AND OVERHAUL OF ROLLS- ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	06/01/06	08/24/06	04/30/11	CANADA	HSBP1006J11540
ACROHELIPRO GLOBAL SERVICES IN	REPAIR AND OVERHAUL OF ROLLS- ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	06/01/06	08/24/06	04/30/11	CANADA	HSBP1006J11541
ACROHELIPRO GLOBAL SERVICES IN	REPAIR AND OVERHAUL OF ROLLS- ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	06/01/06	08/25/06	04/30/11	CANADA	HSBP1006J11539
ACROHELIPRO GLOBAL SERVICES IN	REPAIR AND OVERHAUL OF ROLLS- ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	06/15/06	07/21/06	04/30/11	CANADA	HSBP1006J11879
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS- ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	06/30/06	08/14/06	04/30/11	CANADA	HSHSBP1006J11846
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS- ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	07/10/06	08/18/06	04/30/11	CANADA	HSBP1006J11917
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS- ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	07/18/06	09/20/06	04/30/11	CANADA	HSBP1006J11987
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS- ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	08/03/06	09/14/06	04/30/11	CANADA	HSBP1006J12222
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS- ROYCE A250 ENGINES	\$250,000.00	\$11,177,864.00	08/03/06	09/14/06	04/30/11	CANADA	HSBP1006J12224
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS- ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	08/11/06	09/22/06	04/30/11	CANADA	HSBP1006J12407
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS- ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	08/11/06	09/28/06	04/30/11	CANADA	HSBP1006J12418
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS- ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	08/29/06	10/13/06	04/30/11	CANADA	HSBP1006J12708
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS- ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	08/29/06	10/13/06	04/30/11	CANADA	HSBP1006J12713
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS- ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	08/29/06	10/20/06	04/30/11	CANADA	HSBP1006J12415
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS- ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	08/29/06	10/20/06	04/30/11	CANADA	HSBP1006J12715
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS- ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	08/30/06	10/20/06	04/30/11	CANADA	HSHSBP1006J12005
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS- ROYCE A250 ENGINES	\$2,500,000.00	\$111,777,864.00	09/06/06	10/27/06	04/30/11	CANADA	HSBP1006J12857

ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	09/06/06	10/31/06	04/30/11	CANADA	HSBP1006J12849
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	09/06/06	10/31/06	04/30/11	CANADA	HSBP1006J12856
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	09/06/06	11/03/06	04/30/11	CANADA	HSBP1006J12858
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	09/06/06	11/03/06	04/30/11	CANADA	HSBP1006J12860
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,188,864.00	09/07/06	10/31/06	04/30/11	CANADA	HSBP1006J12886
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	09/07/06	10/31/06	04/30/11	CANADA	HSBP1006J12889
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	09/07/06	10/31/06	04/30/11	CANADA	HSBP1006J12892
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	09/07/06	10/31/06	04/30/11	CANADA	HSBP1006J12893
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	09/07/06	10/31/06	04/30/11	CANADA	HSBP1006J12895
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	09/07/06	11/10/06	04/30/11	CANADA	HSBP1006J12905
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	09/08/06	10/31/06	04/30/11	CANADA	HSBP1006J12931
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	09/08/06	10/31/06	04/30/11	CANADA	HSBP1006J12933
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	09/25/06	12/08/06	04/30/11	CANADA	HSBP1006J13621
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	09/25/06	12/08/06	04/30/11	CANADA	HSBP1006J13627
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR AND OVERHAUL OF ROLLS-ROYCE A250 ENGINES	\$2,500,000.00	\$11,177,864.00	09/25/06	12/22/06	04/30/11	CANADA	HSBP1006J13600
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR OF TURBINE MODULE FOR ENGINE	\$2,500,000.00	\$11,177,863.80	01/26/07	03/16/07	04/30/11	CANADA	HSBP1007J14933
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL HELICOPTER ENGINE	\$2,500,000.00	\$11,177,863.80	02/06/07	03/13/07	04/30/11	CANADA	HSBP1007J15066

ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL HELICOPTER ENGINE	\$2,500,000.00	\$11,177,863.80	02/08/07	03/13/07	04/30/11	CANADA	HSBP1007J15067
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR OF GOVERNORS	\$2,500,000.00	\$11,177,863.80	02/09/07	04/23/07	04/30/11	CANADA	HSBP1007J15096
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL OF HELICOPTER ENGINE	\$2,500,000.00	\$11,177,864.00	02/21/07	02/02/07	04/30/11	CANADA	HSBP1007J14487
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL OF ENGINE	\$2,500,000.00	\$11,177,863.80	02/23/07	05/30/07	04/30/11	CANADA	HSBP1007J15258
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR OF TURBINE MODULE FOR ENGINE	\$2,500,000.00	\$11,177,863.80	03/09/07	05/30/07	04/30/11	CANADA	HSBP1007J15412
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL FUEL PUMP	\$5,000,000.00	\$11,177,863.80	05/01/07	06/15/07	04/30/11	CANADA	HSBP1007J16044
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL BLEED VALVE	\$5,000,000.00	\$11,177,863.80	05/02/07	06/13/07	04/30/11	CANADA	HSBP1007J16058
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL BLEED VALVE	\$5,000,000.00	\$11,177,863.80	05/02/07	06/13/07	04/30/11	CANADA	HSBP1007J16057
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL BLEED VALVE	\$5,000,000.00	\$11,177,863.80	05/02/07	06/13/07	04/30/11	CANADA	HSBP1007J16059
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL BLEED VALVE	\$5,000,000.00	\$11,177,863.80	05/02/07	06/20/07	04/30/11	CANADA	HSBP1007J16063
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL FUEL NOZZLE	\$5,000,000.00	\$11,177,863.80	05/02/07	06/20/07	04/30/11	CANADA	HSBP1007J16064
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL FUEL CONTROL	\$5,000,000.00	\$11,177,863.80	05/02/07	06/13/07	04/30/11	CANADA	HSBP1007J16060
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL FUEL CONTROL	\$5,000,000.00	\$11,177,863.80	05/02/07	06/20/07	04/30/11	CANADA	HSBP1007J16061
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL FUEL NOZZLE	\$5,000,000.00	\$11,177,863.80	05/02/07	06/20/07	04/30/11	CANADA	HSBP1007J16066
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL FUEL NOZZLE	\$5,000,000.00	\$11,177,863.80	05/02/07	06/20/07	04/30/11	CANADA	HSBP1007J16067
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL FUEL NOZZLE	\$5,000,000.00	\$11,177,863.80	05/02/07	06/20/07	04/30/11	CENTRAL AFRICAN REPUBLIC	HSBP1007J16068
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR FUEL CONTROL	\$5,000,000.00	\$11,177,863.80	05/02/07	06/13/07	04/30/11	CANADA	HSBP1007J16051
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR FUEL CONTROL	\$5,000,000.00	\$11,177,863.80	05/02/07	06/13/07	04/30/11	CANADA	HSBP1007J16062

ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR OF FUEL CONTROL	\$5,000,000.00	\$11,177,863.80	05/02/07	06/13/07	04/30/11	CANADA	HSBP1007J16053
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR OF GOVERNOR	\$5,000,000.00	\$11,177,863.80	05/02/07	06/13/07	04/30/11	CANADA	HSBP1007J16056
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR OF POWER GOVERNOR	\$5,000,000.00	\$11,177,863.80	05/02/07	06/13/07	04/30/11	CANADA	HSBP1007J16055
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL HELICOPTER ENGINE	\$4,356,374.40	\$11,177,863.80	05/30/07	07/20/07	04/30/11	CANADA	HSBP1007J16355
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL OF FUEL NOZZLE	\$4,356,374.40	\$11,177,863.80	06/25/07	08/24/07	04/30/11	CANADA	HSBP1007J16613
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL ENGINE	\$4,356,374.40	\$11,177,863.80	06/27/07	08/31/07	04/30/11	CANADA	HSBP1007J16623
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL ENGINE	\$4,356,374.40	\$11,177,863.80	07/20/07	09/28/07	04/30/11	CANADA	HSBP1007J17007
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL HELICOPTER COMPRESSO R	\$4,356,374.40	\$11,177,863.80	07/20/07	09/28/07	04/30/11	CANADA	HSBP1007J17008
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL TURBINE MODULE	\$4,356,374.40	\$11,177,863.80	07/25/07	09/28/07	04/30/11	CANADA	HSBP1007J17091
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR HMU	\$4,356,374.40	\$11,177,863.80	07/27/07	10/12/07	04/30/11	CANADA	HSBP1007J17144
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR ENGINE	\$4,356,374.40	\$11,177,863.80	08/02/07	10/18/07	04/30/11	CANADA	HSBP1007J17235
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR FUEL CONTROL	\$4,356,374.40	\$11,177,863.80	08/07/07	09/28/07	04/30/11	CANADA	HSBP1007J17324
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR ENGINE	\$4,356,374.40	\$11,177,863.80	08/14/07	10/26/07	04/30/11	CANADA	HSBP1007J17436
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR OF HELICOPTER ENGINE	\$4,356,374.40	\$11,177,863.80	08/16/07	09/28/07	04/30/11	CANADA	HSBP1007J17495
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR BLEED VALVE NOZZLE	\$4,356,374.40	\$11,177,863.80	08/22/07	10/25/07	04/30/11	CANADA	HSBP1007J17688
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR ENGINE	\$4,356,374.40	\$11,177,863.80	08/29/07	09/28/07	04/30/11	CANADA	HSBP1007J17903
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR PARTS	\$4,356,374.40	\$11,177,863.80	09/25/07	12/14/07	04/30/11	CANADA	HSBP1007J18996
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR	\$4,356,374.40	\$11,177,863.80	09/25/07	10/18/07	04/30/11	CANADA	HSBP1007J18994

ACROHELIPRO GLOBAL SERVICES INCORPORATED	ENGINE REPAIR	\$4,356,374.40	\$11,177,863.80	09/26/07	11/30/07	04/30/11	CANADA	HSBP1007J19085
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR HELICOPTER ENGINE COMPONENT	\$4,356,374.40	\$11,177,863.80	09/26/07	11/26/07	04/30/11	CANADA	HSBP1007J19071
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR OF OIL FILTER ASSEMBLY	\$4,356,374.40	\$11,177,863.80	10/11/07	11/13/07	04/30/11	CANADA	HSBP1008J19305
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR OF ENGINE	\$4,356,374.40	\$11,177,863.80	10/22/07	12/24/07	04/30/11	CANADA	HSBP1008J19321
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR OF HMU	\$4,356,374.40	\$11,177,863.80	10/29/07	12/28/07	04/30/11	CANADA	HSBP1008J19355
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR OF ENGINE	\$4,356,374.40	\$11,177,863.80	10/30/07	12/31/07	04/30/11	CANADA	HSBP1008J19358
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL HMU	\$4,356,374.40	\$11,177,863.80	10/31/07	12/31/07	04/30/11	CANADA	HSBP1008J19373
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL OF ENGINE	\$4,356,374.40	\$11,177,863.80	11/23/07	02/01/08	04/30/11	CANADA	HSBP1008J19542
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL FUEL CONTROL	\$4,356,374.40	\$11,177,863.80	12/04/07	02/15/08	04/30/11	CANADA	HSBP1008J19620
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL FUEL CONTROL	\$4,356,374.40	\$11,177,863.80	12/04/07	02/15/08	04/30/11	CANADA	HSBP1008J19621
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR FUEL CONTROL	\$4,356,374.40	\$11,177,863.80	12/04/07	02/15/08	04/30/11	CANADA	HSBP1008J19618
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR OF FUEL CONTROL	\$4,356,374.40	\$11,177,863.80	12/04/07	02/15/08	04/30/11	CANADA	HSBP1008J19617
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OH GOVERNOR	\$4,356,374.40	\$11,177,863.80	12/06/07	02/22/08	04/30/11	CANADA	HSBP1008J19646
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL FUEL NOZZLES	\$4,356,374.40	\$11,177,863.80	12/06/07	02/22/08	04/30/11	CANADA	HSBP1008J19649
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL GOVERNOR	\$4,356,374.40	\$11,177,863.80	12/06/07	02/22/08	04/30/11	CANADA	HSBP1008J19648
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL BLEED VALVE	\$4,356,374.40	\$11,177,863.80	12/07/07	02/22/08	04/30/11	CANADA	HSBP1008J19656
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL BLEED VALVE	\$4,356,374.40	\$11,177,863.80	12/07/07	02/22/08	04/30/11	CANADA	HSBP1008J19658
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR ENGINE	\$4,356,374.40	\$11,177,863.80	01/14/08	04/30/08	04/30/11	CANADA	HSBP1008J19923

ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR BLEED VALVE	\$4,356,374.40	\$11,177,863.80	01/15/08	03/31/08	04/30/11	CANADA	HSBP1008J19937
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR ENGINE	\$4,356,374.40	\$11,177,863.80	01/28/08	04/18/08	04/30/11	CANADA	HSBP1008J20062
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL ENGINE	\$4,356,374.40	\$11,177,863.80	02/07/08	03/31/08	04/30/11	CANADA	HSBP1008J20203
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR ENGINE	\$4,356,374.40	\$11,177,863.80	02/14/08	05/02/08	04/30/11	CANADA	HSBP1008J20283
ACROHELIPRO GLOBAL SERVICES INCORPORATED	OVERHAUL ENGINE	\$4,356,374.40	\$11,177,863.80	03/28/08	06/30/08	04/30/11	CANADA	HSBP1008J20767
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR ENGINE	\$4,356,374.40	\$11,177,863.80	03/26/08	05/30/08	04/30/11	CANADA	HSBP1008J20766
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR OF COMPONENT	\$4,356,374.40	\$11,177,863.80	04/22/08	06/10/08	04/30/11	CANADA	HSBP1008J21117
ACROHELIPRO GLOBAL SERVICES INCORPORATED	REPAIR OF HELICOPTER ENGINE	\$4,356,374.40	\$11,177,863.80	05/30/08	07/18/08	04/30/11	CANADA	HSBP1008J21637
AURORA HEALTH PHYSICS SERVICES LTD	RADIATION MONITORING	\$40,767.40	\$224,857.24	11/20/09	09/30/10	09/30/14	UNITED KINGDOM	HSBP1010C02401
MISCELLANEOUS FOREIGN CONTRACTORS	CELLPHONE/ BLACKBERRY SERVICE	\$20,000.00	\$20,000.00	01/20/10	09/30/10	09/30/14	CANADA	HSBP1010P00159
MISCELLANEOUS FOREIGN CONTRACTORS	CELLULAR PHONE GMS SERVICE IN THE BAHAMAS FOR PRE- CLEARANCE SUPERVISOR S	\$12,000.00	\$24,000.00	02/01/10	09/30/10	09/30/11	BAHAMAS, T HE	HSBP1010P00245
ISONIC CORP	ELEVATOR REPAIR/MAIN TENANCE	\$17,600.00	\$76,962.74	02/26/10	09/30/10	12/31/14	PUERTO RICO [UNITED STATES]	HSBP1010P00355
CHOICE PHONE LLC	PROVIDE CELLULAR SERVICES IN GUAM	\$7,200.00	\$30,278.40	03/08/10	09/30/10	09/30/14	GUAM [UNITED STATES]	HSBP1010P00407
CORPORATE SOURCE, INC., THE	KENNEL CLEANING SERVICES	\$20,858.40	\$83,519.36	03/17/10	12/31/10	12/31/13	PUERTO RICO [UNITED STATES]	HSBP1010P00466
HILL'S CLEANING	JANITORIAL SERVICES IN SARINA CANADA	\$1,680.00	\$17,696.00	04/02/10	09/30/10	09/30/13	CANADA	HSBP1010P00532
AMBASSADOR BUILDING MAINTENANCE LIMITED	JANITORIAL CLEANING SERVICES	\$1,809.50	\$24,044.62	05/06/10	09/30/10	09/30/14	CANADA	HSBP1010P00673
WILBUR L SMITH	ADVISORY AND SUPPORT SERVICES	\$29,800.00	\$29,800.00	05/11/10	05/23/11	05/23/11	TRINIDAD AND TOBAGO	HSBP1010P00726
VIRGIN ISLAND PORT AUTHORITY	OCCUPY PARKING SPOTS AT KING AIRPORT	\$98,820.00	\$98,820.00	06/07/10	09/30/10	09/30/13	BRITISH VIRGIN ISLANDS [UNITED KINGDOM]	HSBP1010P00835

DOMESTIC CONTRACTOR (UNDISCLOSED)	FOR AN INVESTIGATIVE ADVISOR IN KUWAIT CITY, KUWAIT	\$138,151.23	\$428,138.95	07/15/10	07/09/11	07/09/13	KUWAIT	HSBP1010C00081
GATCO GLOBAL SECURITY	ADVISORY SERVICES (INTERMITTENT CONTRACTOR) IN MOROCCO	\$38,900.00	\$38,900.00	08/02/10	07/29/11	07/29/11	MOROCCO	HSBP1010P00849
FOREIGN CONTRACTOR (UNDISCLOSED)	AIRSIDE VEHICLE ACCESS LIABILITY INSURANCE AND STANDARD PUBLIC ROAD INSURANCE FOR FOUR FORD 114 EXPLORER 4X4S.	\$6,205.71	\$6,205.71	09/16/10	09/15/11	09/15/11	ARUBA [NETHERLANDS]	HSBP1010P01275
SOLAR + LTD	FACILITY MAINTENANCE, REPAIRS, SPARE PARTS	\$50,000.00	\$50,000.00	09/30/10	09/29/11	09/29/11	GEORGIA	HSBP1010P01448
VETERINAIRE KLINIEK WAYACAN V	KENNEL AND VET SERVICES	\$7,914.65	\$7,914.65	12/02/10	11/30/11	11/30/15	ARUBA [NETHERLANDS]	HSBP1011P00102
XEROX CORPORATION	COPIER LEASE	\$1,000.00	\$4,013.64	01/03/11	09/30/11	09/30/11	PUERTO RICO [UNITED STATES]	HSBP1011J00018
FEDERAL EXPRESS CORPORATION	REQUEST FOR COURIER SERVICES	\$21,000.00	\$21,000.00	01/24/11	09/30/11	09/30/11	ARUBA [NETHERLANDS]	HSBP1011F00082
MISCELLANEOUS FOREIGN CONTRACTORS	FLEET INSURANCE	\$14,574.00	\$14,574.00	01/27/11	12/31/11	12/31/11	CANADA	HSBP1011P00193
K9 ON PATROL SERVICES INC.	KENNELING SERVICES	\$18,100.00	\$27,000.00	01/28/11	01/31/12	01/31/14	VIRGIN ISLANDS [UNITED STATES]	HSBP1011P00223
MISCELLANEOUS FOREIGN CONTRACTORS	BOTTLED WATER	\$9,990.00	\$49,950.00	02/03/11	01/31/12	01/31/16	BAHAMAS, THE	HSBP1011P00228
FOREIGN CONTRACTOR (UNDISCLOSED)	CELLULAR PHONE SERVICE IN BERMUDA	\$6,500.00	\$18,000.00	02/04/11	09/30/11	09/30/15	BERMUDA [UNITED KINGDOM]	HSBP1011P00175
SICS, SWEDISH INSTITUTE OF COMPUTER SCIENCE AB	COMPUTER SOFTWARE	\$23,662.00	\$23,662.00	02/28/11	02/29/12	02/29/12	SWEDEN	HSBP1011P00296
GATCO GLOBAL SECURITY	ADVISORY ASSISTANCE	\$5,300.00	\$5,300.00	03/03/11	03/31/11	03/31/11	LEBANON	HSBP1011P00310

Bonuses

Question: Please provide a table showing how much is requested in the FY12 budget for bonuses for CBP political employees, SES employees, and non-SES employees.

ANSWER:

Position	FY 2012 Budget for Bonuses
Political Employees	\$0
SES Employees	\$1,091,781
Non-SES Employees	\$87,255,500

Question: Please list all CBP SES bonuses provided in 2010 by position, office, and bonus amount.

ANSWER: Response provided directly from CBP.

KEY 2010 AWARDS

OFFICE	AWARD/ONBOARD	FY 2016 AWARDS															Grand Total
		CS-01	CS-02	CS-03	CS-04	CS-05	CS-06	CS-07	CS-08	CS-09	CS-10	CS-11	CS-12	CS-13	CS-14	CS-15	
OFFICE OF BORDER PATROL	Award	-	-	-	\$1,625	\$27,990	\$137.2	\$10,115	\$700.03	\$304.28	\$4,342	\$3,032	\$1,439	\$723.6	\$213,04	\$114,460.91	
	Amount	-	-	-	60	8,21	17.31	8,09	5.45	0.39	026.52	037.76	597.52	85.00	0.00	01	
	Disbursed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Onboard	-	-	-	2	43	19	193	12	727	276	4,000	2,059	824	315	69	
	Total	6	8	10	26	833	83	2,101	47	3,376	518	3,403	2,239	3,243	324	68	
OFFICE OF BORDER PATROL	Award	-	-	-	\$2,582	\$27,990	\$137.2	\$10,115	\$700.03	\$304.28	\$4,342	\$3,032	\$1,439	\$723.6	\$213,04	\$114,460.91	
	Amount	-	-	-	60	8,21	17.31	8,09	5.45	0.39	026.52	037.76	597.52	85.00	0.00	01	
	Disbursed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Onboard	-	-	-	2	43	19	193	12	727	276	4,000	2,059	824	315	69	
	Total	6	8	10	26	833	83	2,101	47	3,376	518	3,403	2,239	3,243	324	68	
OFFICE OF BORDER PATROL	Award	-	-	-	\$2,582	\$27,990	\$137.2	\$10,115	\$700.03	\$304.28	\$4,342	\$3,032	\$1,439	\$723.6	\$213,04	\$114,460.91	
	Amount	-	-	-	60	8,21	17.31	8,09	5.45	0.39	026.52	037.76	597.52	85.00	0.00	01	
	Disbursed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Onboard	-	-	-	2	43	19	193	12	727	276	4,000	2,059	824	315	69	
	Total	6	8	10	26	833	83	2,101	47	3,376	518	3,403	2,239	3,243	324	68	
OFFICE OF BORDER PATROL	Award	-	-	-	\$2,582	\$27,990	\$137.2	\$10,115	\$700.03	\$304.28	\$4,342	\$3,032	\$1,439	\$723.6	\$213,04	\$114,460.91	
	Amount	-	-	-	60	8,21	17.31	8,09	5.45	0.39	026.52	037.76	597.52	85.00	0.00	01	
	Disbursed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Onboard	-	-	-	2	43	19	193	12	727	276	4,000	2,059	824	315	69	
	Total	6	8	10	26	833	83	2,101	47	3,376	518	3,403	2,239	3,243	324	68	
OFFICE OF THE CHIEF COUNSEL	Award	-	-	-	-	-	\$4,546	\$2,946	\$4,548.0	0	\$18,96	\$22.15	\$18,732	\$80.67	\$199.02	\$382,410.50	
	Amount	-	-	-	-	-	50	00	0	-	0.00	2.00	0.00	0.00	4.00	-	
	Disbursed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Onboard	-	-	-	-	-	8	9	8	-	21	35	61	99	82	327	
	Total	0	5	1	0	1	3	15	6	7	0	22	36	53	87	65	301
OFFICE OF HUMAN RESOURCES	Award	-	-	-	-	-	\$24.10	-	\$3,380.9	-	\$3,040	\$8,380	\$1,309	\$1,278	\$5,000	\$22,544.00	
	Amount	-	-	-	-	-	-	-	0	-	0	0	0	0	0	-	
	Disbursed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Onboard	-	-	-	-	-	434	100	96	-	7.16	9435	9.60	4138	00	\$578,235.91	
	Total	-	-	-	-	-	23	2	6	38	-	40	102	122	13	37	570

	Onboard	0	2	4	5	28	5	71	11	32	0	61	115	123	103	32	592
OFFICE OF INFORMATION TECHNOLOGY	Award Amount	-	-	-	-	\$2,713.33	\$2,713.33	\$2,713.33	\$2,713.33	\$4,025.00	-	\$4,025.00	\$4,025.00	\$4,025.00	\$4,025.00	\$4,025.00	\$11,043.33
	Awards Disbursed	-	-	-	-	0	0	0	0	0	-	4.00	0.00	1.00	43.00	6.00	0
	Onboard	-	-	-	-	3	3	18	-	21	-	93	124	183	183	115	1,342
	Total	-	-	28	47	10	3	3	0	67	0	198	509	404	464	87	1,786
	Award Amount	-	-	-	\$8.00	-	-	\$1,300.00	-	\$4,922.00	-	\$16.37	\$27.49	\$42,026.00	\$96.03	\$54,540.00	\$242,693.00
OFFICE OF INTELLIGENCE & OPERATIONS COORD	Awards Disbursed	-	-	-	1	-	-	00	-	0	-	7.00	0.00	0.00	0.00	0.00	0
	Onboard	-	-	-	1	-	-	1	-	14	-	17	26	39	80	22	206
	Total	0	2	2	1	1	0	2	0	28	0	30	27	62	91	18	265
OFFICE OF INTERNAL AFFAIRS	Award Amount	-	-	-	-	\$7,013.00	-	\$7,013.00	\$7,013.00	\$41,231.00	-	\$27.46	\$33.83	\$33,486.00	\$2,852.00	\$67,741.00	\$407,565.00
	Awards Disbursed	-	-	-	-	0	-	00	00	00	-	2.00	0.00	0.00	17.00	0.00	0
	Onboard	-	-	-	-	1	-	15	6	33	-	33	43	153	305	40	359
	Total	0	0	0	0	8	0	15	6	33	0	33	64	130	309	40	618
	Award Amount	-	-	-	-	\$808.00	-	\$125.00	-	-	-	\$3,024.00	\$6,640.00	\$15,662.00	\$81.78	\$24,838.00	\$132,877.00
	Awards Disbursed	-	-	-	-	0	-	0	-	-	-	0.00	0.00	0.00	0.00	0.00	0
	Onboard	-	-	-	-	2	-	1	-	-	-	7	11	31	92	18	162
	Total	0	0	0	0	2	0	1	0	1	0	6	8	33	92	22	183
OFFICE OF PUBLIC AFFAIRS	Award Amount	-	-	-	-	\$2,713.33	-	\$2,713.33	\$2,713.33	\$4,025.00	-	\$4,025.00	\$4,025.00	\$4,025.00	\$4,025.00	\$4,025.00	\$11,043.33
	Awards Disbursed	-	-	-	-	0	-	00	00	00	-	4.00	0.00	1.00	43.00	6.00	0
	Onboard	-	-	-	-	3	-	11	0	64	-	93	124	183	183	115	1,342
	Total	0	0	0	0	3	0	21	0	72	0	93	124	183	183	115	1,342
	Award Amount	-	-	-	-	-	-	-	-	\$780.00	-	\$6,290.00	\$8,394.00	\$15,003.00	\$22.15	\$20,544.00	\$73,162.71
	Awards Disbursed	-	-	-	-	-	-	-	-	1	-	8	13	17	17	7	63
	Onboard	-	-	-	-	-	-	-	-	1	-	8	13	17	17	7	63
	Total	0	0	0	0	1	0	2	0	1	0	13	20	25	18	8	91
OFFICE OF TRAINING & DEVELOPMENT	Award Amount	-	-	-	-	\$5,730.00	-	\$5,730.00	\$5,730.00	\$27,793.00	-	\$27.46	\$33.83	\$33,486.00	\$2,852.00	\$67,741.00	\$407,565.00
	Awards Disbursed	-	-	-	-	0	-	00	00	00	-	2.00	0.00	0.00	17.00	0.00	0
	Onboard	-	-	-	-	6	-	7	-	20	-	18	35	207	76	0	387
	Total	0	0	0	0	6	0	7	0	20	0	18	35	207	76	0	387
	Award Amount	-	-	-	-	\$912.00	-	\$878.11	\$37.64	\$1,644.11	-	\$12.56	\$6,822.00	\$6,072.00	\$4,096.00	\$1,983.00	\$34,551.554
	Awards Disbursed	-	-	-	-	0	-	00	00	00	-	7.424	844.48	073.83	603.23	753.60	68
	Onboard	-	-	-	-	879	-	06.34	5.08	33.82	-	5	844.48	073.83	603.23	753.60	68
	Total	0	0	0	0	887	0	11.44	5.08	33.82	0	12.56	844.48	073.83	603.23	753.60	68

Unobligated Balances

Question: Please provide unobligated balances within CBP, by appropriation account, and when you anticipate they will be expended.

ANSWER:

CBP Unobligated Balances as of March 20, 2011

Component	Account #	Account Name	Unobligated Balance	Purpose of Funds by Program/Project/Activity	Planned Obligation Date
CBP	70 0/1 0530	Salaries and Expenses - Emergency Supplemental	9,712,476	Hiring process commenced for candidates. 5 polygraphers on board; others in hiring process. Target is 20 FTE. PRs in pipeline (\$68K)	Q4 FY11
CBP	70 0/1 0530	Salaries and Expenses - Emergency Supplemental	28,941,838	77 CBPOs have EODs to date. The remaining CBPOs will be on board before the end of the fiscal year.	Q4 FY11
CBP	70 0/1 0530	Salaries and Expenses - Emergency Supplemental	167,387,854	CBP estimates that it takes approximately six months on average to hire a Border Patrol Agent. Border Patrol has hired 650 agents. We expect to hire all 1,000 agents by the close of FY11.	Q4 FY11
CBP	70 0/1 0533	BSFIT - Emergency Supplemental	14,000,000	Design, build & deployment of additional tactical communications on the SWB; focus on completing deployment in 2 sectors of the SWB.	Q4 FY11
CBP	70 0/2 0544	Air and Marine - Emergency Supplemental	10,690,332	Aircraft ordered February 2011 and should be available for flight operations late 1st quarter FY 2012.	Q4 FY11
CBP	70 X 0503	No-Year Salaries and Expenses - Legacy Customs	21,895,041	Funds targeted for rescission	N/A
CBP	70 X 0530	No-Year Salaries and Expenses	8,593,517	\$7.8 million is for Spectrum Relocation	Q2 FY12
CBP	70 X 0531	Automation Modernization	71,832,055	Funding will be used by the end of FY11 to continue to operate and maintain the ACE production system and develop ITDS priorities.	Q4 FY11
CBP	70 X 0531	Automation Modernization	13,161,466	\$1.5M for TECS mod (pending new contract award); balance for ongoing maintenance & sustainment, and priority infrastructure upgrades to minimize/respond to system network outages.	Q3 FY11

CBP	70 X 0532	Construction*	170,642,171	Facilities solutions for OBP, OAM, OFO, and Mission Support activities including construction, maintenance, repairs, operations, minor alterations, and tenant improvements for the CBP facilities portfolio. Also includes funding for major construction projects for the Advanced Training Center in Harpers Ferry, OBP construction projects, and OAM facilities projects.	Q4 FY12
CBP	70 X 0533	Border Security Fencing, Infrast & Tech	266,937,037	Maintain SBInet Block 1 (Tus-1 and Ajo-1); Northern Border demo and air and marine domain awareness; Tactical Infrastructure maintenance and repair; TACCOM projects and environmental projects.	Q4 FY11
CBP	70 X 0544	Air and Marine	75,636,155	Necessary expenses for operations, maintenance, and procurement of marine vessels, aircraft, unmanned aircraft systems and other related equipment of the Air and Marine program.	Q4 FY11
CBP	70 X 8529	Violent Crime - Legacy Customs	4,912,245	Funds targeted for rescission	N/A

* This unobligated balance includes the \$107 million dollar rescission enacted in CR#6

Cuts to Air & Marine

Question: How will you maintain Air & Marine operations and capabilities with the cuts proposed in both procurement (-\$48.2 million) and operations (-\$11 million)? Please provide a detailed breakdown of how these cuts will be achieved and what activities will not be performed as a result. Please also provide details regarding assets for which maintenance will be deferred as a result of this funding level, including the age of the asset and the anticipated length of the deferral.

ANSWER: Since the start of the Strategic Air and Marine Program (StAMP) in FY 2006, annual aircraft, sensor, marine vessel, and supporting capability procurements have been prioritized based on available funding. Though some 14 contracts have been put in place since the end of FY 2006, CBP realized that full funding would not be available for all of the contracts in every year. Therefore, consistent with the StAMP, CBP has prioritized its investments to gain the best mix of capabilities to meet mission needs. In the President's FY 2012 Request, CBP seeks to: continue the P-3 long range patrol aircraft service life extension to enable continued successes disrupting bulk drug shipments in the source and transit zones; continue the purchase of light enforcement helicopters to replace aging assets, primarily on the southwest border; continue the recapitalization of its aging UH-60 Black Hawks, also needed on the southwest border; purchase a small number of additional marine vessels for service in the southeast coastal region and rivers and lakes along the land borders; and complete the acquisition of the two Predator B unmanned aircraft systems funded in the FY 2010 Supplemental.

Correspondingly, CBP will defer:

- KA-350 multi-role patrol aircraft (5 purchased; 25 more on contract);
- Recapitalization of remaining UH-I to UH-II conversions (3 completed; 11 more planned; contract expired);
- C-550 jet interceptor sensor upgrades (4 completed/in-work; 6 more planned);
- The purchase of at least four UH-60M medium lift helicopters (4 purchased; 4 more planned);

- P-3/UAS/AS-350 aircraft search radars and day/night/infrared (EO/IR) cameras (at least 6 more radars and 10 more EO/IR sensors planned).

The reduction in Operations and Maintenance (O&M) funding will be achieved by reducing reliance on support services contracts to include: the planned assessment of alternatives for the P-3 replacement capability; engineering support to aircraft test and evaluation activities; Navy support for the Ocean Surveillance Initiative target sorting and tracking software for multiple CBP and potentially US Coast Guard aircraft types; and ongoing operations analysis support from the Homeland Security Institute. Where possible, these efforts will be accomplished with in-house personnel, deferred or eliminated. As mentioned in the Congressional Justifications for the FY 2012 Budget Request, CBP also plans total aircraft flight hours at about 90,000 which equates to the flight hours funded in FY 2006.

As funds become available, additional purchases of the deferred aircraft procurements, conversions, and sensors will be made, provided that the production lines remain open. Until new aircraft deliveries/conversions are achieved, CBP will realign available aircraft and sensors to the most critical homeland security missions. As aged aircraft are retired, CBP will leverage data obtained through the aged aircraft investigation effort initiated in FY 2009 to expand the depth and/or increase the frequency of its maintenance inspections, until such time as the aircraft are judged to be unsupportable or unsafe to fly. CBP is currently processing 31 aged aircraft for retirement, including 13 Vietnam era OH-6 light helicopters, 15 PA-18 single-engine aircraft, one C-12M twin-engine patrol aircraft, and two PA-42 twin-engine patrol aircraft. Additional retirements, in particular a small number of the C-12M patrol aircraft, are possible by early FY 2012. CBP will recoup all O&M funding associated with the retirements, however, since many were already grounded due to parts support or safety issues, the funds recovery is expected to be relatively small.

BSFIT

Question: The department's decision on SBInet was based on a comprehensive, science-based assessment according to statements by department officials. Please provide this Subcommittee a copy of the complete assessment.

ANSWER: The assessment was conducted using a standard practice known as an Analysis of Alternatives (AoA). In the AoA, DHS quantified the effectiveness of various possible technology solutions by identifying the most important elements of effectiveness, and then assigning scores that reflect how well each technology option supports each of these elements. These scores are called "Measures of Effectiveness" (MOEs). Because there are several MOEs, each one was weighed, then combined into a single, overall effectiveness score. The AoA also generated rough-order-of magnitude (ROM) cost estimates for each technology option. The AoA then compared the combined effectiveness score and ROM for each option. DHS used this process to evaluate technology options in four specific areas along the Arizona border that were representative of other areas on the Southwest border. Additionally, DHS analyzed four types of technology alternatives: Alternative 1, Agent-Centric, included small, usually handheld systems that assist individual agents in observing activity; Alternative 2, Fixed, focused on fixed sensor towers with radars and cameras integrated together through a common operating picture (COP), the class of technology systems like the existing SBInet Block 1; Alternative 3, Mobile, focused on the class of technology systems like the existing Mobile Surveillance Systems (MSS) or Mobile Video Surveillance System (MVSS), which provide information from those sensors directly to the operator of the individual mobile system; and Alternative 4, Aviation-Centric, focused on systems like the Unmanned Aircraft Systems (UAS), which are remotely piloted drones with sensors. The results of the AoA showed that the selection of technology for a given area of the border is highly dependent on the nature of that area. There does not appear to be a "one-size-fits-all" solution contrary to the original SBInet concept of a single, wide-ranging fixed tower-based solution across the entire border. In fact, the AoA suggested that the optimal options involved a mix of technology tailored to each area of the border and based on the operational judgment of the Border Patrol agents in that area.

The AoA Phase 1a presentation was provided to the Commissioner of US Customs and Border Protection and to the Under Secretary for Science and Technology (S&T) on July 12, 2010. After completion of the formal AoA, the Border Patrol used the results to develop a detailed technology deployment plan for each sector in Arizona based on current and anticipated operational activity. The combined AoA and Detailed Technology Deployment Plan briefing was given to DHS Secretary Janet Napolitano on July 22, 2010 and were provided to the House and Senate staff under separate cover.

Question: The department also did a segment by segment analysis of the border to determine what technology is the most appropriate for each segment. Please provide this Subcommittee a copy of the study. What standard of detection, identification, classification, and interdiction was used to drive the technology decisions?

ANSWER: After completion of the formal Analysis of Alternatives (AoA), the Border Patrol convened a panel of operational subject matter experts from each of the sectors. Border Patrol tasked these experts to determine what technologies were required to provide the situational awareness needed in each area of the border. The Homeland Security Studies and Analysis Institute, who did the AoA, briefed these experts on the results of the AoA. The Border Patrol experts, informed by the results of the AoA and their detailed knowledge of the border areas and the threats to those areas, developed a detailed technology deployment plan for Arizona. The Border Patrol experts did not use empirical standards of detection, identification and classification but their recommendations were based on their intimate knowledge of the varied terrains and operating environments they work in and the threats they face on a daily basis. They used their operational expertise to determine which technological capabilities could significantly contribute to situational awareness and their ability to interdict. The combined AoA and Arizona Technology Plan briefing was given to DHS Secretary Napolitano on July 22, 2010 and were provided to the House and Senate staff under separate cover.

Pushing out the Border

Question: Pushing out the borders has been a critical part of CBP's strategy to secure our borders and keep dangerous goods and people out. Largely through the Container Security Initiative (CSI) and the Immigration Advisory Program (IAP), CBP Officers work with their counterparts and conduct pre-arrival inspections. While the programs are not perfect and officers must rely heavily on their foreign partners, this Subcommittee has provided strong support for the strategy. Where do you see these two programs and the concept of pushing out the borders among your priorities?

ANSWER: The Container Security Initiative (CSI) and Immigration Advisory Program (IAP) remain critical components of CBP's layered enforcement strategy and key elements in identifying high-risk shipments as early in the supply as possible and prior to lading on a vessel destined for the U.S. and, in the case of IAP, identifying individuals that will be inadmissible upon arrival in the United States. Both programs will remain vital elements in pushing out the borders.

Through the Container Security Initiative (CSI), the Secure Freight Initiative (SFI), and other programs, CBP addresses the challenges involved in identifying high-risk cargo as early as possible in the supply chain. The Trade Act of 2002 and its implementing regulations require industry to submit electronic manifest data to CBP 24 hours prior to the cargo being laden on a vessel destined for the United States. CBP's pre-departure manifest data requirements were further enhanced with the implementation of the Importer Security Filing (10+2) pursuant to the SAFE Port Act of 2006. CBP utilizes the Automated Targeting System (ATS) as a means to screen advanced manifest data and assist CBP Officers in identifying high-risk cargo. Upon screening, CBP can issue "Do Not Load" messages for shipments deemed high risk until the risk can be mitigated or resolved.

Well-established international relationships have been developed and CBP has a large overseas presence. In addition, there is a number of security programs developed to utilize CBP's legal authorities as well as operational resources to ensure adequate screening of high-risk cargo. For instance, CSI was developed to

identify and inspect high-risk cargo before it is laden aboard a vessel destined for the United States, and the Customs-Trade Partnership Against Terrorism (C-TPAT) was established to provide end-to-end supply chain security. Both programs were codified into law by the Safe Port Act of 2006.

The CSI core mission of identifying and inspecting high-risk cargo before it is laden on a vessel destined for the United States remains the same today; however, the means to accomplish that mission have matured. New and improved technology allows more targeting to be accomplished from the National Targeting Center-Cargo (NTC-C) at a much more efficient and reduced cost. Innovative and effective software has been developed and perfected to allow non-intrusive inspection (NII) images to be transmitted to the NTC-C for review and risk mitigation. Improved data and targeting systems allow for better identification of high-risk shipments, thus promoting better mitigation of the risk of those shipments. In addition, information sharing has improved with our host counterparts. More countries have implemented robust, security-based partnership programs, which raises the level of confidence for success of programs based, in part, on international cooperation, such as CSI and the international Authorized Economic Operator programs.

In early FY 2009, CSI began reducing the number of CBP Officers at the foreign seaports in an effort to utilize staffing in areas needing greater support and ensure that staffing levels remain consistent with workload. In January 2009, the CSI foreign footprint was 167 CSI Officers, 17 ICE Special Agents and 11 Intelligence Research Specialists (IRS) from the Office of Intelligence and Operations Coordination (OIOC). The current staffing of CSI consists of 86 CSI Officers, 8 ICE Special Agents and no IRS support from OIOC. While there has been a decrease in the staffing of CSI Officers abroad, CSI has increased the staffing level at the NTC-C to support targeting functions in overseas ports. Accordingly, the decrease in the CSI staffing at foreign locations has not compromised the CSI mission because CBP has been able to accomplish the CSI mission more efficiently and in a more cost-effective manner through the increased staffing and resources at the NTC-C.

In the future, programs such as CSI will continue to be an integral part of CBP's effort to ensure effective targeting and examination of high-risk cargo prior to being laden on a vessel bound for the United States. It is envisioned that CBP's path forward for FY 2011 and beyond will include the development and use of a hybrid of a variety of operational concepts necessary to address the specific needs of each foreign port. CBP officers from the NTC-C will perform more targeting for foreign seaports and refer shipments for examination when appropriate. CBP will continue to evaluate the foreign footprint for the CSI and remain with a minimum number of foreign-based CBP personnel to conduct and witness exams in coordination with our host-country counterparts, collaborate and share information with host-country counterparts and maintain the relationships developed over the past several years. CSI remains operational in all 58 ports and a variety of operational protocols for each port are being explored that will allow CSI to operate more efficiently without diminishing overall mission of CSI. CBP does not anticipate closing any CSI locations in FY 2012.

The FY 2012 request includes maintaining SFI operations in Qasim, Pakistan, as well as maintaining CSI in all 58 existing locations. The request also includes an enhancement of \$7.5 million to determine the most responsible path forward for securing maritime cargo. The Administration is working to develop a Global Supply Chain Security Strategy to improve the security of the global supply chain. This strategy will focus on all modes of transportation and will be consistent with a risk-based approach to supply chain security. This funding will be used to conduct cargo screening pilot(s) to assess alternatives to the 100% maritime cargo scanning as mandated by the SAFE Port Act. This will enable CBP to test alternatives to extend the zone of security beyond the physical borders, strengthen global supply chain security, and enhance CBP's multi-layered security strategy.

CBP continues to review how new technology can assist in securing the supply chain. Of particular interest are automatic anomaly identification and technology that use radiation and imaging to scan transshipped cargo. The use and limitations of current technology is only one of the many challenges associated with implementing the legislative mandate regarding cargo scanning included in the Implementing Recommendations of the 9/11 Commission Act of 2007.

IAP is a premier resource in the identification and prevention of high-risk and improperly documented travelers at foreign airports from boarding U.S.-bound flights. IAP teams work collaboratively to identify high-risk and terrorist watch-listed travelers with targeting support from the National Targeting Center for Passengers (NTC-P) for an assessment of passengers and their documentation. CBP has also fully implemented the process of using intelligence-based targeting rules to identify potential unknown security risks in addition to the historical IAP missions of addressing known security threats and immigration concerns. IAP presence provides the added element of allowing CBP to intercept and question potential unknown threats and effectively extends our zone of security where close coordination with the air carriers and host government is essential.

Question: While some of the CSI reduction can be attributed to moving targeting activity back to the U.S., the CSI cut appears to significantly reduce the international footprint. Please provide specific details regarding where the CSI reductions will be taken and why. Please also note the reductions that were already taken in FY10 or will be taken in FY11.

ANSWER: At the initiation of CSI, CBP deployed multi-disciplinary teams to foreign seaports consisting of CBP officers, Immigration and Customs Enforcement (ICE) agents and Intelligence Research Specialists (IRS). CSI foreign presence in the early years relied heavily on a large foreign footprint to gain knowledge and visibility of cargo originating in or transiting through the various CSI ports, to establish and develop relationships with our host country counterparts, and gather intelligence and information. Prior to September 11, 2001, CBP faced a multitude of challenges relative to targeting and identifying high-risk cargo for examination prior to that cargo being laden on a vessel destined to the United States. Those challenges included the lack of advanced manifest data, no automated targeting capabilities, the absence of "Do Not Load" authority, limited overseas presence (CSI did not yet exist), informal international relationships, carrier focused industry partnership and supply chain security programs, and no U.S. radiation portal monitors at the ports of entry. CBP addressed these challenges by designing a comprehensive multi-layered cargo security strategy emphasizing advanced data, automated targeting, foreign capabilities, and industry partnerships.

Under regulations promulgated pursuant to the Trade Act of 2002 carriers must submit electronic manifest data to CBP 24 hours prior to the cargo being laden on a vessel destined to the U.S. CBP developed the Automated Targeting System (ATS) as a means to screen advanced manifest data and assist CBP Officers in identifying high-risk cargo. Well established international relationships were developed and CBP established a large overseas presence. Programs aimed at detecting radioactive materials were also developed. In 2002, CBP began deploying radiation portal monitors at U.S. ports of entry while the Department of Energy's Megaports Initiative placed radiation portal monitors in seaports worldwide.

In January 2009, CSI began to look at the foreign footprint and worked to align resources consistent with workload at each of the 58 CSI ports. During FY10 and FY11 to date, CSID has reduced its overseas staff from 167 to 86 CBP Officers while still keeping the 58 CSI ports operational. CBP continues to explore alternative, more cost effective means to achieving the objectives of the CSI program without compromising the security or integrity of the program.

Question: While the FY12 request proposes an expansion to additional IAP locations, the number of officers at each IAP location is very limited. Please provide the Subcommittee with the number of officers deployed to each IAP and the percentage of flights bound for the U.S. from that airport that the officers are able to cover. In addition, if the IAP coverage is deemed insufficient, what is the end goal for officer deployments to IAP locations and how will you reach that deployment level?

ANSWER: The response to this question is For Official Use Only/Law Enforcement Sensitive and will be provided to Congress in the appropriate manner.

Container Security Initiative

Question: Please provide a list of on-board supervisory and other CBP staff per CSI/SFI port and indicate whether they are permanent or TDY. Please also indicate the number of positions you anticipate will be at these ports at the end of FY12, based on the FY12 proposed reduction in CSI funding.

ANSWER: Please see the chart below which reflects current staffing levels at all CSI/SFI locations. Staffing at this time is 86 permanent positions and 5 TDY CBP officers. CBP does not anticipate a change in staffing levels during FY12 at this time.

CSI Port Information	TDY Staffing		Permanent Staffing		
	Sup. CBPO	CBPO	Sup. CBPO	CBPO	Special Agent
ALGECIRAS, SPAIN	0	0	1	1	0
ANTWERP, BELGIUM	0	0	1	2	0
ASHDOD, ISRAEL	0	0	0	0	0
BALBOA, PANAMA	0	0	1	1	0
BARCELONA, SPAIN	0	0	1	1	0
BREMERHAVEN, GERMANY	0	0	1	2	0
BUENOS AIRES, ARGENTINA	0	0	1	1	0
BUSAN, KOREA	0	0	1	2	1
CARTAGENA, COLOMBIA	0	0	0	2	1
CAUCEDO, DOMINICAN REPUBLIC	0	0	1	0	0
CHI LUNG, TAIWAN	0	0	1	1	0
COLOMBO, SRI LANKA	0	0	1	1	0
DUBAI, UNITED ARAB EMIRATES	0	0	1	1	1
DURBAN, SOUTH AFRICA	0	0	1	0	0
FELIXSTOWE, UNITED KINGDOM	0	0	1	2	0
FREEPORT, BAHAMAS	0	0	1	1	1
GENOA, ITALY	0	0	1	1	0
GIOIA TAURO, ITALY	0	0	1	1	0
GOTHENBURG, SWEDEN	0	0	1	0	0
HAIFA, ISRAEL	0	0	0	0	0
HAMBURG, GERMANY	0	0	1	1	0
HONG KONG, CHINA	0	0	1	4	1
KAOHSIUNG, TAIWAN	0	0	1	1	0
KINGSTON, JAMAICA	0	0	1	1	1
KLANG, MALAYSIA	0	0	1	0	1
KOBE, JAPAN	0	0	0	1	0
LAEM CHABANG, THAILAND	0	0	1	1	0
LASPEZIA, ITALY	0	0	1	1	0
LEHAVRE, FRANCE	0	0	1	1	0
LISBON, PORTUGAL	0	0	1	0	0
LIVERPOOL, UNITED KINGDOM	0	0	1	1	0
LIVORNO, ITALY	0	0	1	1	0
MARSEILLE, FRANCE	0	0	1	0	0
NAGOYA, JAPAN	0	0	0	1	0
NAPLES, ITALY	0	0	1	1	0
PIRAEUS, GREECE	0	0	1	0	0
PUERTO CORTES, HN	0	1	0	0	0

ROTTERDAM, NETHERLANDS	0	0	1	1	1
SANTOS, BRAZIL	0	0	1	1	0
SHANGHAI, CHINA	0	1	0	0	0
SHENZHEN, CHINA	0	2	0	0	0
SINGAPORE, SINGAPORE	0	0	1	2	0
SOUTH HAMPTON, UNITED KINGDOM	0	1	0	0	0
TANJUNG PELEPAS, MALAYSIA	0	0	1	1	0
THAMESPORT, UNITED KINGDOM	0	0	0	0	0
TILLBURY, UNITED KINGDOM	0	0	0	0	0
TOKYO, JAPAN	0	0	1	0	0
VALENCIA, SPAIN	0	0	1	1	0
YOKOHAMA, JAPAN	0	0	0	0	0
ZEEBRUGGE, BELGIUM	0	0	0	0	0
TOTALS	0	5	37	41	8
	5		86		

CTPAT Performance Measure

Question: The FY2012 CBP Strategic Context document has a table that provides information on CTPAT performance measures, target levels, and actual results for FY2007-FY2012. For CTPAT, the key measure is the compliance rate for CTPAT members. The target compliance rate increases from an FY2010 target of 95% to FY2011 and FY2012 targets of 100% which seem unlikely and/or unobtainable. How was this measure determined, and will CTPAT meet the 100% target?

ANSWER: C-TPAT has developed a measure to determine how well members are complying with the program's security criteria. It is determined by dividing the total number of successful validations (for a period of time) by the total validations (for the same period of time) and then multiplying by 100. C-TPAT is working to achieve the highest compliance level possible with all of the members, through providing enhanced training documents and outreach. During FY2010, C-TPAT conducted 79 outreach programs for members and foreign governments in several countries throughout the world to discuss the security criteria. The 100 percent goal was set by DHS to strive for maximum compliance and C-TPAT will work diligently with members to meet this goal.

Question: Please provide a listing of all NII equipment purchased, deployed, and proposed for purchase/deployment for CSI and SFI in FY11 and FY12.

ANSWER: CSI/SFI has not purchased, nor are there plans to purchase, Non-Intrusive Inspection (NII) equipment in FY11 or FY12. CSI/SFI currently has 10 large-scale NII systems (of various manufacturers and system configurations) in our inventory. CBP has been working with the Department of State to secure visas for a team to travel to Qasim, Pakistan in order to conduct a site assessment of the current operations. Once a site assessment is completed, CBP plans to upgrade the current aging NII systems in Qasim utilizing the NII equipment that was decommissioned in Korea as part of the SFI pilot.

Question: Please update information provided last year and list: the number of high risk cargo exams conducted under CSI in foreign ports of export in FY10 and FY11 to date; the number of containers scanned in the SFI ports in FY10 and to date in FY11; and the number of containers inspected at CSI ports that were re-inspected upon arrival at domestic seaports in FY10 and to date in FY11.

ANSWER: Number of high risk CSI cargo exams conducted in FY10: 49,646
Number of high risk CSI cargo exams conducted in FY11 (YTD): 18,958

Number of containers scanned in SFI ports FY10: 133,620
 Number of containers scanned in SFI ports FY11 (YTD): 10,702

The difference in the FY 2010 and FY 2011 number of containers scanned in SFI ports reflects that in late FY 2010, CBP concluded the SFI pilot operations in Southampton, United Kingdom, Puerto Cortes, Honduras and Busan, South Korea. These ports reverted back to the CSI protocols of risk based targeting so are no longer counted in the SFI statistics. CSI does not track the number of containers that were re-inspected upon arrival at domestic seaports. CSI targets and selects shipments that pose a risk for national security. Those same shipments are normally not re-inspected for reasons of national security once they arrive in at domestic seaports unless there is new information on the shipment that would warrant an exam. However those same shipments may be re-inspected for a variety of purposes including trade enforcement or other agency interest (e.g., U.S. Food and Drug Administration (FDA), U.S. Department of Agriculture (USDA), Consumer Product Safety Commission (CPSC) etc.). CBP's Office of Information Technology (OIT) has the ability to identify shipments that have been re-inspected upon arrival at domestic ports but there is no procedure at this time to differentiate for what purpose the shipments were re-inspected (national security vs. other agency interest).

Non-Intrusive Inspection Equipment

Question: The President's FY 2012 budget includes \$149.5 million for the purchase and deployment of new NII systems and a goal of purchasing 10 new large-scale NII systems and replacing 6 systems. Supporting documents also indicate CBP will purchase, test and deploy small scale NII systems. While it appears the Administration has an acquisition schedule for NII, it is not clear how this schedule corresponds to an overall NII strategic plan. Further, as more and more NII systems are deployed and integrated into CBP operations, these systems will need routine upgrades and replacement. Do you have a strategic plan for NII (including radiation detection equipment) investment? If so, please provide a copy of this plan. If not, why not?

ANSWER: Yes, CBP has a Strategic Plan for FY09-FY14 which covers the mission and the overall strategy for employing NII and Radiation Monitoring equipment in our day-to-day operations. However, the proposed number of systems to be acquired in FY12 is subject to the approved budget and the cost per system. Currently the FY11 budget is not finalized and the impact of the approved FY11 budget will affect the FY12 spend plan.

A copy of the Strategic Plan can be obtained from the following site:

http://www.cbp.gov/linkhandler/cgov/about/mission/strategic_plan_09_14.ctt/strategic_plan_09_14.pdf

Question: What percentage of rail cars, maritime cargo, and trucks were subjected to an NII examination in FY10 and FY11 to date, distinguishing between those entering and departing the United States?

ANSWER: For fiscal year 2010, CBP examined 23.9% of all inbound cargo arriving by land, sea and rail utilizing Large-scale NII systems. For fiscal year 2011 to date that total is 24%.

Question: Please provide an updated inventory by location of deployed large-scale NII systems, including planned investments. Please reflect any additional or replacement acquisitions still coming in FY11 and planned for FY12. Please also include

ANSWER: CBP has a total of 296 Large-scale NII imaging systems deployed nationwide as of the end of the second quarter 2011 (March 31, 2011). This number includes 106 systems deployed to Southwest border ports of entry, 92 systems deployed to seaports on both coasts, 53 systems deployed to Northern border ports of entry, 3 systems deployed to airports and 42 systems deployed to Border Patrol checkpoints.

In addition, 46 systems (30 additional and 16 replacements) have been purchased with funding from FY10 and prior years. These systems are expected to be deployed in FY11 and FY12. These systems are distributed: 22 additional and 14 replacement systems to the Southern border; 2 replacement systems to seaports; 7 additional systems to the Northern border and 1 additional system to a Border Patrol checkpoint.

CBP also has plans to acquire 20 Large Scale NII systems in FY11 and 16 systems in FY12 based on the proposed funding in the NII Systems Program (domestic) Capital Investment Plan (CIP).

Global Entry/International Registered Traveler

Question: Please provide the latest enrollment numbers for SENTRI, NEXUS, FAST, and Global Entry. Please provide the percentage of entries that individuals utilizing these programs represents at the land and air ports of entry respectively.

ANSWER: Current enrollment numbers as of March 22, 2011 are:

- SENTRI – 248,079
 - Of these, 90,139 SENTRI members have activated Global Entry benefits and can use the Global Entry kiosks at the designated airports.
- NEXUS – 519,509
 - Of these, 394,376 NEXUS members have activated Global Entry benefits and can use the Global Entry kiosks at the designated airports.
- FAST – 80,425
- Global Entry – 119,621

Percentage of travelers utilizing Trusted Traveler programs at land and air ports (based on FY 2010 numbers):

- SENTRI – 13%
- NEXUS – 10%
- FAST – 12%
- Global Entry – Less than 1%

Question: Please provide an update on the consolidation of trusted traveler programs under Global Entry. Do SENTRI and NEXUS participants have the benefits of Global Entry processing? If not, when will that be completed?

ANSWER: The consolidation of the trusted traveler programs under Global Entry was initiated December 14, 2010. The Global Entry benefit automatically became part of the SENTRI and NEXUS program membership package and SENTRI and NEXUS enrollment centers are now conducting Global Entry interviews. Trusted traveler continues with program consolidation by seeking to have a single membership with SENTRI, NEXUS, and Global Entry benefits.

IT Reliability for Interactive Advance Passenger Information Requirements

Question: DHS established “One Solution” to integrate the passenger data requirements of CBP and TSA for air carriers and to meet mission needs in the most efficient and cost-effective manner possible. Now that all domestic and international commercial carriers are on board with Secure Flight, how has the end-to-end system performed in terms of reliability, flexibility, and capability to meet operational needs?

ANSWER: The Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004 required the Federal Government where practicable to conduct screening against the terrorist watchlist prior to departure. To meet IRTPA requirements U.S. Customs and Border Protection modified the Advance Passenger Information System

(APIS) and, in collaboration with the Transportation Security Administration's (TSA) Secure Flight program, developed interactive communications to provide carriers with real time terrorist watchlist screening results.

As part of The Department of Homeland Security (DHS) One Solution program, CBP worked with the TSA to align TSA's Secure Flight with existing CBP interactive APIS communications, including allowing carriers to transmit passenger data to a single portal administered by CBP called the DHS Router. As part of One Solution, when carriers transmit passenger data through interactive communications, the data is used to meet the requirements of the CBP APIS program, the Electronic System for Travel Authorization (ESTA), and the TSA Secure Flight program.

The implementation of interactive APIS communications, ESTA, and Secure Flight was a tremendous undertaking that impacted international travel around the globe and changed operational processes for the aviation industry and governments. While implementation of these programs has been extremely successful and has met operational needs, there have also been challenges.

Previously, if a system or policy change was implemented the impact was limited to one program; with the single portal concept that meets the needs of several programs, any operational or system changes need to be aligned to ensure negative impact is limited. In addition, as changes need to be made to further develop these programs, there are now increased challenges since it is possible that a change for one program would require changes within the DHS Router, CBP systems, and/or TSA systems.

Question: CBP and Secure Flight have been affected by system outages and time outs. Please provide details on all system outages and times outs from FY10 and FY11 to date as well as the cause of the issue and how the causes were addressed.

ANSWER: The response to this question is For Official Use Only/Law Enforcement Sensitive and will be provided to Congress in the appropriate manner.

Automated Commercial Environment

Question: More than \$3 billion has been appropriated for the Automated Commercial Environment (ACE) in the past ten years. What tangible results do we have to show for this investment? If the answer is targeting capability, please provide a listing by fiscal year of the funding provided by ACE for targeting activity and the percentage that funding represents of the ACE appropriation.

ANSWER: Through FY 2010, \$2.9 billion has been appropriated for ACE. The ACE program has introduced many capabilities that improve and secure CBP's cargo processing capabilities and benefit other Federal agencies and the trade community. The tables below reflect the ACE software releases to-date (including description/benefits, date deployed and approximate investment cost) as well as those ACE capabilities now in development.

ACE Capabilities Deployed FY2003 – FY2011

ACE Release Name	Description/Benefits	Date deployed	Approximate Investment Cost (\$K)
ACE Foundation (Release 1)	Provided the first deployment platform for ACE and established security measures consistent across ACE.	Sept 2002	\$58,380 ¹
ACE Portal (Release 2)	<p>Delivered the ACE Secure Data Portal. Laid the foundation for an Accounts Management (AMS) structure that will eventually encompass all segments of the trade community and become a principal tool for CBP Officers to assess national compliance and supply chain data. At the end of 1QFY11, there were over 35,000 CBP and trade ACE account holders.</p> <p>The Portal provides information with which ACE users and account holders can identify and evaluate compliance issues and monitor daily operations. ACE allows users to access the reports tool, compile data and perform national trend analysis as well as individual transactions-based analysis.</p> <p>Further, other government agencies have access to the Portal and can use this to streamline and improve their import analysis activities.</p>	Oct 2003	\$58,380 ¹

¹ Number reflects total cost of Release 1 and Release 2, developed under the same contractor task order. Release-specific cost information not captured.

Periodic Payment (Release 3)	<p>Expanded the AM framework to a larger trade audience (including brokers, carriers, etc.). Provided a record of communications via the Business Activity Log. Provided a new CBP revenue capability to make periodic monthly payments of duties and fees. Established a CBP customer-based ledger to produce monthly statements. As of the end of 1QFY11, approximately \$1.5B of duties and fees (58% of the total duties and fees due) was being collected via the Periodic Payment feature in ACE.</p> <p>With the ACE account-based system, monthly payment and statement capabilities are available, meaning periodic payment participants have the ability to wait until the 15th working day of the next month to pay for shipments released during the previous calendar month.</p>	June 2004	\$105,399 ²
Screening Foundation (S1)	<p>Established a foundation to modernize screening and targeting through the use of a business rules engine as the backbone for all manifest and cargo entry transactions. Established a centralized, standardized data store for all screening and targeting criteria and results and forms the building block for S3 / Advanced Targeting.</p>	July 2005	\$53,822

² Number reflects total cost of Release 3 and Release 4, developed under the same contractor task order. Release-specific cost information not captured.

ACE Release Name	Description/Benefits	Date deployed	Approximate Investment Cost (\$K)
Targeting Framework (S2)	Delivered a modernized National Targeting Center (NTC) analyst workflow, case management and single sign-on capability for the Automated Targeting System (ATS). Provides collaboration among targeters at the NTCs and worldwide field sites. Provides the ability to initiate activities, fosters collaboration among Office of Field Operations (OFO) analysts and Office of Intelligence and Operations Coordination (OIOC), and allows users to exploit past activity logs for additional intelligence by tracking requests for information on entities of interest. Provides a single access point for integration of data sources and federation of queries across government and private data sources. Enables users to infer relationships between entities and data elements.	Oct 2006	\$31,100

E-Manifest: Truck (Release 4)	<p>Automated the truck manifest process for the first time. E-manifest is a mandate from the Trade Act of 2002 to provide advance cargo data for truck shipments and interfaces with the Automated Targeting System (see S1 and S2 descriptions above) to provide screening data for shipments designated for further evaluation and/or inspection. Release 4 is now used to process 100% of truck manifests at all U.S. land border ports on the northern and southern borders.</p> <p>By establishing an ACE portal account, carriers are able to generate a wide variety of reports to evaluate and identify compliance issues and risks.</p> <p>Truck carriers can record and track account details related to drivers, trucks, (conveyances), equipment, shippers and consignees via ACE. This eliminates the need to repetitively send this data or re-enter it on each manifest, resulting in reduced errors during submission.</p> <p>A "broker download" feature enables carriers to send shipment details to the entry filer's system. This data assists in the reconciliation of manifest and entry data, thereby reducing delays at the border.</p> <p>Using the ACE portal, carriers may also request in-bond moves where imported goods arrive at a U.S. port with another U.S. port as its final destination, directly from the manifest. Carriers may also report the arrival of in-bond freight via ACE when a shipment arrives at its U.S. destination.</p>	Feb 2007	\$105,399 ²
ACE Release Name	Description/Benefits	Date deployed	Approximate Investment Cost (\$K)

Advanced Targeting (S3)	Provides OFO, , Office of International Trade (OT), & OIOC users with the ability to quickly integrate real time threat intelligence into operational activities through User Defined Rules. Extends the risk management life cycle by increasing analysis capabilities and feedback into targeting effectiveness. Integrates findings and results back into the targeting assessment process. Three key S3 cargo-targeting components provide mission-critical functionality and enhancements for the modernization of targeting. These components are User Defined Rules (UDR), Impact Assessment (IA), and the Unified Screening Response (USR). Provides IA that allows users to determine how changes in ATS rules and weight-sets affect operational workloads and ATS targeting effectiveness at the ports. Provides the USR that communicates ATS screening results to users and to ACS and ACE systems.	Sept 2007	\$34,400
Entry Summary, Accounts and Revenue (ESAR) Master Data (A1)	Provided CBP and trade representatives the ability to view the status of CBP programs. Drop A1 established ACE as the system of record for master data elements required for CBP systems processing.	Sept 2007	\$120,560
ESAR Reference Data (A2.1)	Provided the master and reference data for and will interface with E-Manifest: Rail and Sea (M1).	Jan 2009	\$15,800

ESAR Initial Entry Summary (A2.2)	<p>Provided the opportunity to eliminate the need to file routine paper forms, automated the Census Warning override process and marked a major step forward in the transition away from the Automated Commercial System (ACS), the cargo processing system of record. Provided targeting through an integrated interface with the ATS system; thereby applying the functionality of S1, S2, & S3 targeting to Entry Summaries.</p> <p>The Census warning process enables a filer to preemptively submit an override code for known Census variances or correct and certify information after filing an entry summary electronically, rather than re-file or dispute a Census warning via a paper exchange.</p> <p>ACE participants can file entry types 01, 03, and 11 entry summaries via ACE, which account for nearly 99 percent of all entry summaries, which can now be filed in ACE.</p>	June 2009	\$71,180
ESAR Anti-Dumping/Countervailing Duties (AD/CVD) Processing (A2.3.1)	<p>Provided functionality focused on AD/CVD case management and entry summary Type 03 processing along with enhanced targeting functionality for both ACE and ACS entry summaries. Extended targeting functionality to apply to AD/CVD processing.</p> <p>AD/CVD functionality enhances the ability to track the life cycle of an AD/CVD case and facilitates trade compliance efforts by centralizing more information.</p> <p>AD/CVD case management system increases communication among CBP, the Department of Commerce and the trade community and provides greater oversight of AD/CVD cases.</p>	Feb 2010	\$42,800
ACE Release Name	Description/Benefits	Date deployed	Approximate Investment Cost (\$K)
ESAR Post Summary Corrections (PSC) (A2.3.2)	<p>Provided functionality for the trade community to send corrections after the entry summary has been submitted to CBP and the ability for CBP users to mass update entry summaries. Extended targeting functionality to apply to Post Summary Corrections processing.</p>	Oct 2010	\$26,619

Additional resources for supporting Screening and Targeting functionality	Enhances, expands and improves various features and characteristics of screening and targeting functionality. Provides continuing support for ACE Screening and Targeting, synchronizing targeting functionality with ACE releases. Provides operations and maintenance, infrastructure, infrastructure management, hardware and Commercial Off-the-Shelf (COTS) maintenance, technology refresh, and office facilities and automation. Provides production baseline enhancements, program management, security, Systems Engineering Lifecycle (SELC) and configuration management support for Screening and Targeting.	-	\$128,678
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The investments above total approximately \$850M. The balance of the \$2.9B appropriation was used to fund system operations and maintenance, licensing, equipment and software upgrades, disaster recovery, government salaries, and program office support.

ACE Capabilities in Development (FY2011)	
ACE Release Name	Description/Benefits
Final deployment of PSC	Will make PSC functionality available to the trade community.
E-Manifest: Rail and Sea (M1)	Will provide cargo manifest processing for rail and sea modes of transportation and the creation of a unified, multi-modal environment that will eventually support all modes of transportation.
Cargo Release	Will achieve the "single window" concept of cargo release and modernize the process for releasing cargo at ports of entry by making ACE data available to all agencies responsible for cargo admissibility.
International Trade Data System (ITDS) initiatives, including	
• PGA Message Set	Will add data elements required by other agencies to major import reporting messages.
• Interoperability	Will focus on standardizing and establishing technical interoperability protocols between CBP and other agencies' data systems.
• Document Imaging	Will provide the capability to accept transmission of electronically imaged forms.

Targeting capability is among the tangible results achieved in the ACE program. Approximately 8.5% of the ACE appropriation was used for targeting capability development and maintenance.

Question: What are you doing to get this program back on track?

ANSWER: CBP recognizes that along with our success there have been challenges with some of the ACE releases. To address these issues, we have made significant progress in identifying and meeting those challenges in all areas of the program to improve results:

- CBP has recently filled two critical positions to support the ACE program. The first is an Executive Director, Cargo Systems Program Office to manage the acquisition, program management and technology aspects of the program. This individual is also a Level III certified Program Manager.

- We have established the ACE Business Office and filled the position of Executive Director, ACE Business Office to lead and direct the operational aspects of the ACE Program.
- We have institutionalized a number of monthly program reviews with CBP leadership and the Prime Contractor to address overarching program management, risk management and cost controls.
- We have formalized a number of critical project management processes including improved requirements management processes, risk management processes and acquisition management and the like.
- The agency has established a new organization, the Office of Technology Innovation and Acquisition, headed by an Assistant Commissioner to strengthen all areas of systems acquisition and program management to build consistency and standardization in how we govern these investments. This Assistant Commissioner is a critical member of the ACE leadership team.
- We are strengthening other critical areas of the program to include independent validation and verification, quality assurance, and systems engineering to increase the capability of more actively and efficiently managing ACE software activities.
- We have taken steps to segment ACE into smaller, much more manageable product releases to avoid deploying large, complex suites of capabilities which are prone to cost overruns and delays. This approach makes it easier to accommodate changes to the operational requirements, identify software defects earlier, and tailor our acquisition approach to promote real time delivery of mission capability.
- We are utilizing Active Risk Manager (ARM), a leading software tool that provides visibility of program risks, issues, and mitigation plans. We track release-specific risks that are associated with concurrent development and is in the process of developing mitigation plans for these risks. Other elements of the ACE program management foundation include a requirements traceability and management tool, which minimizes the potential for duplicative efforts by providing a complete view of requirements for all ACE releases and software drops; the Integrated Master Schedule, which provides visibility of the planned and actual release/delivery schedules and associated interdependencies; the development of risk-adjusted cost and schedule estimates; and EVM, which provides early warning signals of potential problems and serves as the basis for making course corrections across the program.
- We are redefining the requirements gathering process. This is being designed to be incorporated into the DHS System Engineering Life Cycle model now used for IT projects across the department. This will ensure uniformity in the hand off of the requirements from the business side to the technical side of the process.

Textile Transshipment Program

Question: Please update information provided last year on the status of the textile transshipment enforcement effort, and the number of CBP positions – import specialists, CBP officers, and international trade specialists on-board in the Textile Enforcement Division in FY10 and projected for FY11.

ANSWER: For FY 2010, CBP has the following staff whose responsibility is the enforcement of textiles:

Import Specialists – 281
 Auditors – 31
 Laboratory Scientists – 24
 International Trade Specialists – 13
 CPB Representatives – 9
 Attorneys – 2
 National Import Specialists – 1
 Paralegals – 3
 Textile Transshipment Analysts – 3
 IT Programmers – 1

In addition to the above there are many general positions within CBP, such as attorneys within the Office of Trade or CBP officers whose job responsibilities are not commodity specific but handle a variety of different

issues including textiles if a textile issue is presented to them. This could include examining merchandise, processing an entry for penalty or referring cases to the Department of Justice for prosecution. We do not anticipate any changes to these staffing levels in FY 2011.

In FY 2010, CBP identified a potential loss of revenue of \$6 million as a result of Textile Production Verification (TPVTs) visits to those areas or countries with Free Trade Agreements (FTAs) or legislated duty preference programs. With the elimination of absolute quotas, the risk for textile transshipment from China and other countries has decreased to those areas or countries in which there is a duty preference. CBP also conducts document verifications at the ports to validate preference claims. CBP reviews on average between 4,500 and 5,000 entries per year that have an entered value of between \$140 to \$150 million. The recovered revenue for these document verifications is approximately \$5 million. CBP has also conducted special operations that have looked at specific areas of concern within the FTAs.

Question: Please list the numbers and destinations of textile production verification team visits in FY10 and the number of manufacturers and producers visited on these trips.

ANSWER: In FY 2010 Textile Production Verification Teams (TPVTs) visited 11 countries that totaled 263 producers/exporters. The countries that were visited and the number of factories visited for that country are identified below:

Dominican Republic – 20
 Egypt – 38
 El Salvador – 15
 Guatemala – 27
 Honduras – 48
 Jordan – 21
 Lesotho – 9
 Mauritius – 21
 Nicaragua – 29
 Peru – 28
 Swaziland – 7

Question: Please indicate the locations where they are assigned.

ANSWER: There are 327 ports of entry with Import Specialists physically assigned to 51 ports of entry. Where Import Specialists are not physically located at a port, an Entry Specialist or CBP officer reviews the transactions, but the Import Specialist still has oversight and takes responsibility for the transaction. Depending on the volume of textile activity that is cleared through that port Import Specialists may spend 100 percent of their time addressing textile issues or an abbreviated portion of their time. The International Trade Specialists and analysts for textiles are located in New York, with oversight from Washington, D. C. The audit functions for textiles are also located in New York, but the audit of textile importer can be done by an auditor in any location. CBP has representatives overseas in Panama, Canada, Mexico, Egypt, China, Dominican Republic, Kenya, South Africa and Italy who have provided significant textile support.

QUESTIONS FOR THE RECORD SUBMITTED BY

THE HONORABLE David Price

Commissioner Bersin
FY 2012 CBP BudgetContainer Security

Question: Last year, and again in the 2012 budget request, CBP continues to decrease funding for international cargo screening programs, by eliminating funding for Secure Freight Initiative (SFI) pilots in all places except Pakistan, which involves physically scanning every container that goes through the shipping lanes under the program; CBP has also closed or ceased operations at many of the 58 Container Security Initiative (CSI) ports, where CBP officers are on site at a port to target high-risk containers for scanning. Much of this screening will now be handled domestically by the targeting center. But the 2012 budget includes \$7.5 million to fund the implementation of two pilots to test the 100 percent scanning mandate. In fact, one of the proposed pilots would in essence replicate the SFI model used in Pakistan in a different, high threat corridor – likely on the Arabian Peninsula. Given the Department's justification for targeted scanning in place of 100 percent scanning, this \$7.5 million request for additional pilots indicates that you believe that the current programs are not adequate to mitigate risk. Do you concur? What needs to be done?

ANSWER: As a point of clarification, CBP has not closed any CSI locations. As the program has matured, and through enhancements in advanced data, targeting systems, and inspection technologies, CBP has moved to adopt a variety of operational concepts that will allow the program to operate more efficiently yet still achieve the objectives of the program.

In advancing the goal of 100% scanning, the Secure Freight Initiative (SFI) deployed networks of radiation detection, provided by the Department of Energy, our partner in SFI, and imaging equipments at five overseas pilot ports. This advanced pilot has encountered a number of serious challenges to implementing the 100% scanning mandate.

Certain challenges are logistical. Many ports simply do not have one area through which all the cargo passes; there are multiple points of entry, and cargo is "transshipped," meaning it is moved immediately from vessel to vessel within the port. These ports are not configured to put in place detection equipment or to provide space for secondary inspections. At these ports, scanning 100% of cargo with current systems is currently unworkable without seriously hindering the flow of shipments or redesigning the ports themselves, which would require huge capital investment.

Other challenges are the limitations that are inherent in available technology. DHS currently uses both passive radiation detection and active x-ray scanning to look for radioactive material in cargo. An important obstacle is the absence of x-ray scanning technology which can effectively and automatically detect suspicious anomalies within cargo containers that should trigger additional inspection. Currently, DHS personnel visually inspect screens for possible anomalies, but the scale and the variety of container cargo make this process challenging and time-consuming. In addition, current x-ray systems have limited penetration capability; this can limit their ability to find a device in very dense cargo.

While DHS is pursuing technological solutions to these problems, expanding screening with available technology would slow the flow of commerce and drive up costs to consumers without bringing significant security benefits.

Finally, the costs of 100% scanning pose a great challenge, particularly in a struggling economy. Deploying SFI-type scanning equipment would cost about \$8 million per lane for the more than 2,100 shipping lanes at more than 700 ports around the world that ship to the United States. On top of these initial costs, operating costs would be very high. These include only DHS expenses, not the huge costs that would have to be borne by foreign governments or industry. It is also important to keep in mind that about 86% of the cargo shipped to the United States is sent from only 58 of those more than 700 ports. Installing equipment and placing personnel at all of these ports – even the tiny ones – would strain government resources without a guarantee of results.

Thus, in order to implement the 100% scanning requirement by the 2012 deadline, DHS would need significant resources for greater manpower and technology, technologies that do not currently exist, and the redesign of many ports. As Secretary Napolitano has indicated, these are all prohibitive challenges that will require the Department to seek the time extensions authorized by law.

Question: What specifically are you testing and implementing with these two new pilots? How will this extend the maritime security zone beyond our borders in a different way than CSI or the SFI pilots did?

ANSWER: The \$7.5 million for the pilot programs will allow CBP to explore technological advances developed in recent years which may allow CBP to more effectively secure maritime cargo. This will give CBP an opportunity to explore the technological advances on a small scale, controlled environment and provide CBP the opportunity to gather information to see if the concept can be deployed on a larger scale, as well as lessons learned, and successes, failures and adjustments needed for a large scale deployment.

The future of CSI and CBP's maritime cargo security strategy will continue to mitigate the risk of high-risk cargo prior to lading on a vessel in a foreign seaport. The proposed path forward for FY 2011 and beyond will become a hybrid of a variety of operational concepts, relying on enhancements in advanced data, targeting systems, and inspection technologies.

Question: In fiscal year 2010, CBP had \$145.5 million for CSI and 148 staff overseas. The 2011 request more than halved this funding, to \$61.7 million and the number of overseas personnel for this effort has dropped to 86. The 2012 request raises CSI slightly up to \$68.8 million but the entire increase is for the pilots. What are the implications of this request for the future of the CSI program? Has our ability to target dangerous cargo domestically improved to such a degree that we no longer need to have much of a CSI presence at foreign ports at all?

ANSWER: In early FY2009, CSI began reducing the number of CBP officers at the foreign seaports in an effort to bring staffing levels consistent to workload. So while overseas staffing has decreased, staffing domestically has increased to conduct overseas activities. CSI has increased the staffing level at the National Targeting Center – Cargo (NTC-C) to support targeting functions in overseas ports. CSI will keep a minimum number of CBP officers deployed to overseas locations to perform and witness exams, maintain relationships with the host country and share information with host country counterparts. The proposed path forward for FY 2011 and beyond will become a hybrid of a variety of operational concepts. CSI will operate more efficiently and the security or overall mission of CSI will not be diminished.

CBP's ability to target high-risk cargo has matured significantly in the last several years through advancements in the Automated Targeting System (ATS), the creation of the NTC-C, and the implementation of the advanced data, Importer Security Filing (I0+2) initiative. Even with these stronger targeting capabilities, and the deployment of over 1,400 radiation detection portals in U.S. ports of entry, CBP still needs to maintain a presence in most overseas locations to work with host counterparts to share information, maintain relationships

and witness inspections conducted in foreign locations. Much of the targeting can be achieved from the NTC-C, however, it is the CBP officers on the ground in foreign ports that mitigate exams and share information, as necessary, with the foreign Customs officers. Additionally, the expansion of the Department of Energy's Megaports to multiple seaports worldwide provides an additional layer of overseas security which did not exist when CSI was established.

Hiring of New CBP Officers

Question: The 2012 budget requests \$43.1 million for 300 new CBP officers and canine teams at new or expanded ports of entry. We all know about the long wait times at some of our ports of entry so I would agree that these additional officers are much needed to speed up processing times as well as prevent the entry of unlawful people and contraband. In addition to this request, the Department of Transportation's budget includes \$2.2 billion to enhance GSA-owned land ports of entry. What is your plan for these additional officers and canine teams? Will they largely be deployed to continue to inspect southbound operations aggressively, a DHS priority, or are you hiring to fill positions related to the \$2.2 billion in improvements in cross border transportation infrastructure?

ANSWER: The additional 300 CBP officers (CBPOs) will allow CBP to staff the more than 30 new and/or expanded POEs at air, land, sea, preclearance and other locations which will be completed and require additional personnel beginning in 2012. This request is not tied to the \$2.2 billion. It reflects staffing needs for existing operations and expansions that will occur in 2011. For example, some of the facilities expected to open include the new North Terminal at the Miami International Airport, the expansion of the World Trade International Bridge in Laredo, the new international terminal at the Atlanta International Airport, the expansion of the port in Blaine, Washington, the port renovation at the Detroit Windsor Tunnel and Donna, Texas and the Anzalduas, Texas Bridges. CBP must staff these new and expanded facilities in order to enhance the facilitation of legitimate travelers and cargo. Without additional personnel, the new POEs will have to be filled by reducing staff at existing locations where staffing is already declining, impacting the conduct of enforcement actions.

Question: Based on the slowness of hiring using 2010 supplemental funds, what assurances can you provide us that these officers will be hired in a timely fashion?

ANSWER: As of 4/28/11, CBP has hired 127 of the 250 CBP Officers included in the FY 2010 Border Security Supplemental Appropriations Act. Additional pre-employment processes have been added or increased to ensure that only the best possible candidates are selected. Polygraph testing of candidates has increased and the significant failure rate (above 50%) has reduced the number of candidates who can proceed through the process. The additional fitness test has caused a drop-out rate of approximately 25% of the candidates. CBP plans to hire all 250 CBP officers before the end of this fiscal year.

Surveillance Technology along the Southwest Border

Question: In your 2012 budget request, CBP is requesting \$242 million for continued deployment of surveillance technology along the Southwest border. Why is DHS requesting \$242 million for 36 integrated fixed towers (similar to those that form SBInet Block 1 in Arizona), at an average cost of \$6.7 million per unit, when DHS announced on January 14, 2011 that the department had ordered SBInet to be cancelled, and replaced by proven, cost-effective technologies? What are DHS's specific plans for deployment of this technology?

ANSWER: The FY2012 budget request builds from FY 2011 funds to complete the laydown of mobile and fixed technology in five out of seven Border Patrol Station Areas of Responsibility (AORs) in Arizona. With FY 2011 funds, CBP will deploy various pieces of surveillance technology in all Border Patrol AORs in Arizona. These funds are focused on procuring and deploying proven, commercially available technologies as

quickly as practical. FY 2012 funds will be used to procure, and deploy proven, commercially available “Integrated Fixed Tower” systems in three AORs in Arizona.

As background, in January 2010 Secretary Napolitano ordered a Department-wide reassessment of the Secure Border Initiative-network (SBInet) program that combined an independent, quantitative, science-based Analysis of Alternatives (AoA), the input of U.S. Border Patrol agents on the front lines, and the analysis of the Department’s leading science and technology experts to determine the most efficient, effective and economical way to meet our nation’s border security needs. That reassessment identified that there is no single technology solution to border security as SBInet was originally intended to be. Border security requires a combination of personnel, tactical infrastructure, and technology (both mobile and fixed surveillance equipment) tailored to the specific geographical areas.

As a result of the reassessment, DHS is implementing a new border security technology plan, initially focused on the Arizona border, which will utilize existing and proven technology tailored to the distinct terrain and population density of each border region. This new plan will provide better coverage, a more effective balance between cost and capability, and is tailored to the unique needs of each area along the border. The new plan will also result in faster deployment of technology and better linkage between operations and technology.

The Integrated Fixed Towers (IFT), which are based on commercially available capabilities, are only one element of the broader, integrated technology plan. IFT are more than just sensor towers and in fact will be complete systems. In addition to the sensor towers that will provide the detection and persistent surveillance capability, each system will include a complete communications backhaul that will consist of communications towers with microwave systems and a command-and-control suite located at Border Patrol Stations. The FY2012 budget request includes the acquisition of all elements of the systems to be deployed in three Border Patrol Station Areas of Responsibility (AORs), the land acquisition costs, any environmental mitigation costs, the construction and deployment costs and all system verification costs.

The IFTs will be deployed to five Border Patrol Station AORs in Arizona. Physical deployments are expected to start in FY2013. The specific order in which the deployments will take place will be based on the Border Patrol’s highest priority threat areas.

Question: How do these plans relate to DHS’s previous efforts to deploy technology along the Southwest border under SBInet?

ANSWER: The Department-wide reassessment of the SBInet program identified that there is no single technology solution to border security as SBInet was originally intended to be. Border security requires a combination of personnel, tactical infrastructure, and technology tailored to the specific geographical areas. As a result, DHS is implementing a new border security technology plan, initially focused on the Arizona border, which will utilize existing and proven technology tailored to the distinct terrain and population density of each border region. This new plan will provide better coverage, a more effective balance between cost and capability, and is tailored to the unique needs of each area along the border. The plan will also result in faster deployment of technology and better linkage between operations and technology, complementing the Administration’s unprecedented investments in manpower, infrastructure and resources to secure the Southwest border.

Question: What are DHS’s plans for using funding appropriated in prior fiscal years for SBInet?

ANSWER: Over the past several years, Congress appropriated approximately \$965 million for the SBInet Block 1 system design, development, testing, deployment and sustainment. Of this amount, approximately—

- \$782 million was obligated to the Boeing contract for direct expenses and ongoing support requirements;

- \$42 million was spent with other Government activities, supporting a range of environmental, testing support, Independent Verification and Validation, real estate, and logistics (maintenance, repair, and supply management) support activities;
- \$ 41 million was reprogrammed last summer from unobligated SBInet Block 1 balances to initiate high-priority replacement fencing projects in Arizona, and,
- \$100 million was rescinded as part of the emergency border security supplemental legislation last summer.

Today, there are no prior appropriations for SBInet Block I available and/or reserved for other purposes. It is also important to note that the above amounts do not include appropriations for other CBP (BSFIT) technology investments such as the Detroit and Buffalo Remote Video Surveillance System (RVSS) deployments, the Operations Integration Center at Selfridge air base, Mobile Surveillance Systems and commercial technologies, or other technology pilots and demonstrations.

Import Safety Seizures

Question: In your testimony you highlight the fact that CBP conducted approximately 3,700 import safety seizures during fiscal year 2010, a 34% increase from 2009. With a relatively even level of staffing at the ports of entry, how were you able to accomplish such a large increase in seizures? Can you give us an idea of the types of import safety threats we're facing?

ANSWER: CBP has worked internally and with our other government agency partners to address the risk posed by unsafe imports. Internally, CBP has made import safety a "Priority Trade Issue" giving it status among other traditional customs trade functions such as revenue collection, anti-dumping, and intellectual property rights within the organization. This allows CBP to increase its focus and devote resources on a broader basis to import safety concerns. Defining what "Import Safety" is for reporting purposes can be nebulous. A portion of the increase in import safety seizures is that in past years these seizures would have been counted under a different "Priority Trade Issue" such as intellectual property rights or agriculture.

Externally, CBP is a founding member of the multi-agency import safety Commercial Targeting and Analysis Center (CTAC) in Washington, DC. CTAC brings several import safety focused agencies together to share information and expertise for the interdiction of unsafe products before they reach end users. Agencies are communicating and collaborating under new Memoranda of Understanding (MOUs) that expedite and increase the exchange of information within the CTAC. Several joint agency local and national scope inspection operations were implemented in FY 2010 specifically targeting high risk import safety shipments. Other government agency partners have added staff physically at the ports of entry for better coordination with CBP on import issues as well. The results of these internal and external actions have been solid increases in seizure numbers.

CBP works with other federal agencies to enforce laws and regulations and combat varied, inport safety threats along the border. Consequently, import safety threats are shared when appropriate and may require a shared response. CBP is often asked to take enforcement actions on behalf of those agencies which regulate commodity ranges. For example, the Food and Drug Administration (FDA) regulates most food products, pharmaceuticals, herbal supplements, and medical devices. FDA regulated products account for approximately 38% of CBP import safety seizures. The Consumer Product Safety Commission (CPSC) regulates consumer goods and end user products for requirements such as flammability standards, choking hazards, and lead levels in toys. CPSC regulated products account for approximately 16% of CBP's import safety related seizures. Some products presenting import safety risk present unique challenges in that they are regulated by multiple agencies. For example, All Terrain Vehicles (ATVs) are regulated by the Environmental Protection Agency (EPA) for engine emissions standards, and CPSC for end user safety plan requirements. Other import safety risk

areas cut across multiple CBP Priority Trade Issues. For example, electrical products containing counterfeit Underwriters Laboratory markings may present an intellectual property rights violation, as well as an import safety risk because a counterfeit product is less likely to meet the product safety testing standards regulated by CPSC.

Import safety threats are driven by various motivations. Economic adulteration, or the purposeful use of substandard ingredients or parts in production for financial gain, is a priority concern. In recent years the United States has seen a variety of such import schemes including the adulteration of milk and dog food with melamine, toothpaste with diethylene glycol, and herbal supplements with active or unapproved pharmaceutical ingredients. Many of these economically motivated product risk areas emerged from China, and China continues to be a high risk area for import safety and intellectual property rights violations. In fiscal year 2011 to date, 47 percent of import safety trade seizures were sourced from China. Furthermore, the deliberate shipping of products failing to meet required industry standards and specifications remains a challenge.

Recently detected emerging areas of risk for import safety agencies are high power laser pointers that exceed strength standards and are capable of being shined into cockpits of aircraft thus blinding pilots, tainted food and/or pharmaceutical products, high intensity discharge vehicle lights, consumer and commercial grade fireworks, lead tainted toys, and airsoft guns with interchangeable parts making them readily convertible into firearms. CBP remains committed to working with our other government agency partners to address these and other critical risk areas.

Automated Commercial Environment

Question: After more than \$2.8 billion in appropriations, last year the Department began a “business case review” of the Automated Commercial Environmental (ACE) program. CBP has had numerous problems with the vendor (IBM) and is considering not continuing this contract. This decision will be made within the next few weeks. At the same time, the budget requests \$20 million to implement cargo release, which would streamline the process of separating high-risk and low-risk cargo, give our trading partners visibility into cargo screening results and holds, and eliminate paper forms. If CBP chooses to bring in another contractor for ACE, will the current functionality be easily integrated into another vendor’s system?

ANSWER: CBP’s current contract with IBM has a ten-year performance period, and one additional five-year option period. Last fiscal year, CBP decided to not exercise the remaining five-year option period, scheduled for award on April 30, 2011, and instead pursue an acquisition strategy for the ACE program that better meets the needs of the agency, leverages competition, and ensures the government is leading requirements management and definition for the program.

IBM will complete work on a number of in-process projects while CBP implements its revised acquisition strategy, to include completion of the e-Manifest: Rail and Sea (M1) development effort. Going forward, we do not expect integration challenges with bringing in new technology solutions or operations and maintenance support providers as the system has an open standards architecture. The first development effort we plan to procure using the new strategy is development of Cargo Release capabilities.

Question: What type of schedule delay would ACE incur? Does this affect the amount of funding needed for cargo release in 2012?

ANSWER: Though IBM will remain under contract to complete M1, a new schedule is being negotiated with IBM for the completion of the project. The extent to which the M1 schedule baseline will change is yet to be determined. However, we anticipate an approximate 10 month delay to the original April 2011 M1 delivery schedule (Jan/Feb 2012) at this time.

The decision to keep IBM under contract to complete M1 does not affect the amount of funding needed for cargo release in 2012. CBP is estimating the need for \$60 million (from a combination of carryover and FY 2012 appropriated funding) for the design and development of the first two segments of Cargo Release functionality. The funding estimate will be validated in FY 2011 through the definition of a complete set of operational requirements.

CBP Cobra Fee Increase

Question: The budget request assumes \$55 million in COBRA fees by lifting the exemptions in place for Canada, Mexico, and most of the Caribbean Islands, to pay for the costs for immigration and aviation processing fees. This is half year funding; the estimated savings for lifting the COBRA exemptions is \$110 million. DHS has proposed this fee adjustment as part of a larger fee reform package to the Ways and Means Committee for a few years but the authorizers have failed to act on this so far. Unless Ways and Means enacts COBRA fee reform, the \$55 million offset in your budget request to pay for CBP officer salaries is not real money. What would you propose to make up for this shortfall? Or would CBP not be able to hire some or all of the 333 new CBP officers contained in your 2012 budget request?

ANSWER: The country exemptions currently in place for Mexico, Canada, and the Caribbean cost the Government \$110 million annually in user fees that would otherwise be collected for customs inspections at the border. While travelers from other countries are subject to this fee, the costs of processing the travelers coming from Mexico, Canada, and the Caribbean are subsidized by U.S. taxpayers. CBP's budget assumes elimination of these exemptions by the third quarter of FY 2012, equating to \$55 million in FY 2012 (half-year cost). The FY 2012 Budget request for \$55 million assumes mid-year enactment and would cover half of the proposed increase in fee collections to avoid creating a \$110 million hole. If Congress does not lift the exemption then CBP will reprioritize our FY 2012 resources to fund the affected activities.

The COBRA statute mandates that the fee collections be used to pay for (in the order listed):

1. All inspectional overtime
2. Premium Pay
3. Civil Service Retirement and Disability Fund (Agency Contribution)
4. Excess Preclearance
5. Foreign Language Proficiency Awards
6. Enhanced Equipment and Support (e.g.: officer salaries)

COBRA funding is prioritized as listed above. A \$55 million COBRA shortfall will impact support to CBP officers and CBP officer's salaries. Since mission support has already been reduced significantly, it is possible that this further reduction may result in fewer CBP officer Full Time Equivalent. These reductions would be achieved through attrition and would not likely effect the new positions for the new Ports of Entry.

QUESTIONS FOR THE RECORD SUBMITTED BY

THE HONORABLE Tom Latham

Commissioner Bersin
FY 2012 CBP Budget

Corruption on Border

Question: Some of us have heard from various reliable sources, over time, that there continues to be a disturbing level of corruption among uniformed Customs and Border Patrol personnel on the Southwest Border.

Do you consider this to be a significant problem and, if so, do you believe that a majority of the 'bad apples' are caught?

ANSWER: CBP considers all instances of workforce corruption to be a significant threat to border security.

Within any organization as large and diverse as CBP, due to its size, mission, geographic diversity and operational activity, there is always a potential for corruption amongst the workforce. Since October 1, 2004, a total of 126 current or former CBP employees have been arrested, indicted or otherwise prosecuted on Corruption (the misuse or abuse of the knowledge, access or authority granted by virtue of their official position in a manner that did not compromise the mission of CBP or facilitate the violation of the laws it is charged with enforcing at the border) or Mission Compromising Corruption (illegal activity for personal gain which violated or facilitated the violation of the laws CBP personnel are charged with enforcing) charges. After a 2-year decline in FY06 and FY07, the number increased in FY 2008 and again in FY 2009. After a 2-year decline in FY06 and FY07, the number of current or former CBP employees arrested or indicted on Corruption and Mission Compromising Corruption charges increased to 21 in FY08 and 29 in FY09. In FY10, the number decreased to 18 and in FY11 to date, there have been nine cases. Notably, these numbers represent two-tenths of one percent of our workforce. As CBP continues to realize the benefits of enhanced staffing, technology and infrastructure along the Southwest border, the efforts of transnational and other criminal organizations to seek out ways to influence our officers and agents and infiltrate the CBP workforce cannot be underestimated.

CBP is committed to maintaining workforce integrity. Rigorous background investigations, including polygraph testing of law enforcement applicants prior to employment with CBP, and regular, periodic reinvestigations of frontline CBP employees are essential tools to combating corruption. In addition, all allegations of corruption must be investigated in a timely and thorough manner. This can only be accomplished through collaboration and intelligence sharing amongst all law enforcement authorities responsible for border security, including the DHS Office of Inspector General, the U.S. Immigration and Customs Enforcement Office of Professional Responsibility, the CBP Office of Internal Affairs as well as the Federal Bureau of Investigation and our other federal, state and local partners.

Question: I am told that there has been a long-standing rule with ICE Special Agent personnel that they cannot be hired to work in the same areas that are their hometown areas. On the other hand, I am told that CBP uniformed personnel do work in their hometown areas.

If this is accurate, is this not a flawed policy based on the corruption issue and, if not, why not?

ANSWER: In CBP, uniformed personnel are assigned to locations based on the needs of the mission. In most cases, Border Patrol agents and CBP officers are not assigned to their hometowns.

However, CBP does not have any policy which prohibits a CBP officer from working in his or her home town. As part of the employment process, a candidate indicates which geographic location he or she would like to work. Geographic locations contain numerous towns and no particular town is guaranteed. Should a CBP officer be assigned a duty location in or near their hometown geographic area, numerous policies and procedures come into play to ensure the integrity of the mission. Direct oversight by managers and other safeguards such as a comprehensive pre-employment background investigation, polygraph testing, integrity training at the Basic Academy, integrity toolkits at 2, 5 and 10 years of service, integrity musters, and strict prohibitions against processing family members and close friends or anyone who would present a conflict of interest, are in place to avoid situations where integrity could be compromised. Additionally, the practice is not to place Border Patrol agents in their hometown and it would be rare if it happens. Additionally, before a new Border Patrol agent is placed in his or her hometown, it is cleared through the Sector Chief. Integrity is the cornerstone of everything we do at CBP. Integrity is a way of life and commitment as an organization that begins at the time of application for employment with CBP and continues throughout an employee's career.

Trade Facilitation

Question: What are the major causes of delays in trade facilitation at US Ports of Entry, how can CBP better interface with the other agencies to carry out its trade facilitation mission, and is there a role for Congress in the enhancement of facilitation?

ANSWER: Trade facilitation may be impacted by the cumulative effects of laws addressing important yet disparate and complex issues involving the logistical movement of cargo. Transactions required to implement these laws are often subject to multiple government agency requirements and can necessitate clearance from multiple agencies prior to release. In addition, regulatory requirements for paper certificates, licenses and permits which must be presented upon entry can have an effect on facilitation efforts as can port infrastructure, such as complex and vast sea ports, often face logistical challenges with the movement of the massive volume of trade entering the U.S.

CBP is utilizing technology and interagency information sharing to further facilitate trade. The development of the Automated Commercial Environment (ACE) program and the International Trade Data System (ITDS) will enable CBP to exchange vital information with federal agency counterparts to safeguard the United States from border security threats while promoting legitimate trade. Furthermore, CBP is an integral part of a multi-agency council, the Border Interagency Executive Council (BIEC), comprised of senior leadership from 10 agencies with import safety responsibilities. The BIEC is currently addressing interagency initiatives aimed at reducing duplicative data requests such as information sharing, document imaging and mutual recognition of partnership programs. In its capacity as the executive agent responsible for the flow of goods and people across the border, CBP continues to seek out opportunities to develop collaborative working relationships with CBP's federal agency counterparts in a broad set of arenas that include, among others, interagency targeting efforts, enforcement activities and other risk segmentation strategies directed at intercepting dangerous cargo and facilitating lawful trade.

In addition, CBP is looking at its own processes to streamline data and documents requirements, more transparent and efficient processes and overall facilitation of cargo, especially for our trusted partners, as we move toward greater management by account. These efforts will be implemented through new ACE and ITDS automation, process changes and risk segmentation. These changes may require a revised statutory framework or allocation of resources, which we would look forward to working with the Congress to develop.

Alien Smuggling

Question: Alien smuggling on the Southwest Border continues to be a significant problem. GAO has made recommendations to DHS which would, or could, aid in the investigations of alien smuggling. From what I can tell, it is still somewhat unclear as to how much progress has been made in implementing the recommendations.

Recognizing that you don't want to disclose any specifics in an open hearing, can you give me a general idea about the enhancements you have made in this category of enforcement over the last year?

ANSWER: In July 2004, the Secretary of State, the Secretary of Homeland Security and the Attorney General jointly established the interagency Human Smuggling and Trafficking Center (Center). To emphasize its importance, the Center was formally established under Section 7202 of the Intelligence Reform Act and Terrorism Prevention Act of 2004. The Center will achieve greater integration and overall effectiveness in the U.S. Government's enforcement and other response efforts, and work with other governments to address the separate but related issues of alien smuggling, trafficking in persons, and smuggler support of clandestine terrorist travel. Migrant smuggling, clandestine terrorist travel and trafficking in persons are transnational issues that threaten national security.

The Interagency Working Group (IWG) on Alien Smuggling and Trafficking was first established in 1995 as the result of the Presidential Memorandum on Deterring Illegal Immigration. The Department of Justice (DOJ) and Department of State (DOS) were directed to create an interagency coordination structure that would facilitate the accomplishment of the U.S. Government's anti-smuggling initiatives. IWG is comprised of components from the Department of Justice Criminal Division (CRM) the Department of State Bureau of International Narcotics and Law Enforcement Affairs (INL) and the Human Smuggling and Trafficking Center (HSTC). IWG established the Leverage Subgroup and ECT Strike Force as an operational-level targeting working groups composed of law enforcement, intelligence, diplomatic, and prosecutorial experts to target criminal travel networks that are deemed to present a national security threat or whose operations pose a significant humanitarian concern for concerted law enforcement, diplomatic, or other action.

The Joint Security Program (JSP) is a partnership between DHS and the Mexican Secretaria de Gobernacion which places CBP officers along side Mexican federal law enforcement at the Mexico City International Airport to target and interdict arriving and departing high risk passengers. CBP JSP officers provide assistance and expertise in order to facilitate the identification of travelers who do not possess the proper documentation to enter or transit the United States or Mexico, or who may otherwise be deemed inadmissible upon arrival in the United States or Mexico.

To secure the Southwest border, CBP must increase the probability of apprehension and the consequences associated with attempting to enter the United States illegally or engaging in cross-border crime such as alien and narcotic smuggling. Doing so will require continuous integrated planning and execution of operations across CBP's offices.

Controlling cross-border crime requires partnership with other government agencies and sustained collaboration with Mexico. The Mérida and "Mérida II" initiatives, the May 2010 Joint Declaration of Presidents Obama and Calderón on 21st Century Border Management, the resulting Presidential Executive Steering Committee process, and the Bilateral Strategic Plans between the Department of Homeland Security and Secretariat of Finance and Public Credit provide the direction for our increasingly close cooperation with Mexico. DHS/CBP Border Patrol's International Liaison Units work hand-in-hand with Mexican authorities to encourage collaboration between U.S. and Mexican law enforcement agencies to fight cross-border criminal organizations through information and intelligence sharing with the common goal of border safety and security.

CBP continues to support, share information, and partner with various task force initiatives, such as the Border Security Task Force (BEST) (10 on the Southwest Border), the Organized Crime Drug Enforcement Task Force

(OCDETF), High Intensity Drug Trafficking Areas (HIDTA) (5 Southwest Border regions), Border Intelligence Centers, the El Paso Intelligence Center (EPIC), Joint Terrorism Task Forces, the National Targeting Center, and Joint Task Force North for a range of missions, to include border security, counterterrorism, and counter narcotics. CBP also continues to enhance existing law enforcement coordination efforts with Federal, State, local, and tribal agencies.

In order to reduce illicit flows and crimes associated with smuggling at and between the ports of entry in order to reduce criminality, illegal migration and the threat of terrorism, the following initiatives have been undertaken:

- Establishment of the Arizona Joint Field Command;
- Development of the Tucson Intelligence Initiative;
- Continuing coordination to increase the number of forward operating bases on the Tohono O'odham Nation;
- Establishment of the corridor security concept through the Alliance to Combat Transnational Threats (ACTT) in the state of Arizona and within the El Paso Sector area of operations;
- Development and deployment of a comprehensive Consequence Delivery System (CDS). This system is active in the Tucson and Rio Grande Valley Sectors and is part of a continuing southern border roll-out in order to provide consequence performance measurements that will enhance field decisions on apprehension dispositions and track consequence performance;
- Enhancement of operational collaboration with Mexico, in particular through coordinated patrols, enhanced protocols to prevent and respond to violent incidents, and enhanced Port Security Committees;
- Establishment of the Mobile Response Teams concept in Tucson, Arizona and planning for the future deployment of the concept to the Rio Grande Valley, San Diego and El Paso Sectors.

Question: If resources were not an issue, and you had unlimited discretion as to where to put your resources, in what operating mission area would you make immediate additions and why?

ANSWER: Based on the U.S. Border Patrol End of Fiscal Year Report, the Arizona Corridor (Tucson (TCA) & Yuma Sectors (YUM)), Rio Grande Valley (RGV) and San Diego Sectors (SDC) continue to lead the Nation apprehensions and narcotics seizures. Arizona Sectors led the Nation and accounted for 219,318 of the 463,382 apprehensions made and 1,070,647 lbs. of the 2,431,214 lbs. of narcotics seized in FY 2010. Notably, RGV accounted for 59,766 apprehensions and 890,656 lbs. of narcotics seized and SDC accounted for 68,565 apprehensions the same year.

More importantly, each of these areas represents significant challenges to mitigate risk against the potential threat. Arizona has vast amounts of rugged and remote terrain, much of which is tribal or Federal managed lands and Arizona remains the preferred route of entry for alien and narcotics smuggling organizations. RGV presents significant littorals in the Gulf of Mexico, vast narrow waterways along the Rio Grande River and a host of rural communities that lie adjacent to the immediate border. Pacific Ocean littorals, highly urban areas adjacent to Mexico and high volumes of both legitimate and criminal traffic present SDC with unique challenges as well.

As a result of increased enforcement efforts along other parts of the border, illegal immigration and trafficking while gradually shifting into the Arizona corridor, success in securing the border means significantly reducing illegal flows through that corridor while keeping illegal flows elsewhere under control. The Arizona Corridor will represent the continued focus for operations, with secondary emphasis on RGV and SDC respectively. Threats along the remainder of the border will constantly be monitored and assessed to evaluate changes in operational threat. The plans for a mobile response team (MRT) will further enhance the rapid movement of tactical resources to address new or evolving threats.

Question: Where do you think improvements can be made in the sharing of intelligence between CBP and the ATF on the Southwest Border?

ANSWER: CBP is actively engaged with ATF on improving the sharing of information and intelligence relative to the illicit movement of firearms and other related contraband. Specifically, CBP has scheduled a series of meetings with ATF to identify solutions and implement procedures that will enhance information sharing between our agencies.

QUESTIONS FOR THE RECORD SUBMITTED BY

THE HONORABLE Charles W. Dent

Commissioner Bersin
FY 2012 CBP Budget

Technology – Inbound, Outbound, Checkpoints

Question: CBP's operations have been enhanced significantly at the land border through effective use of license plate readers (LPR) and radio frequency identification (RFID) technology. Please tell us, of the total (inbound and outbound) lanes and permanent checkpoints, how many have LPRs and/or RFID? Do you have plans for outfitting additional lanes?

ANSWER: To date, LPR/RFID technology has been deployed to 458 of the 530 inbound non-commercial vehicle lanes.

Northern Border	215 lanes
Southwestern Border	243 lanes

Of the 111 outbound vehicle lanes on the southwest border, 48 have older generation LPR technology deployed. RFID technology has not been deployed to any outbound vehicle lanes. Vehicle Primary Client (VPC) and LPR technology has been deployed to six lanes at the C29 checkpoint north of Laredo, Texas.

In FY 2011, the deployment of technology is planned in the following operational areas:

- Inbound consisting of the LPR/RFID technical solution
 - Four (4) lanes at four (4) small ports with older generation LPR equipment currently installed.
 - Four (4) new lanes at a previously deployed port.
 - Two (2) lanes at the Harper's Ferry Advanced Training Center.

CBP continuously monitors all the ports of entry. The remaining 62 lanes are in smaller ports, many of which have recently, or are currently, undergoing facility upgrades.

- Outbound consisting of VPC and new LPRs for operational integration (Southwest border)
 - Thirty-six (36) sites using the MC-75 handheld device.
 - One (1) fixed facility (comparable to inbound).
 - Five (5) with fixed LPRs and handheld devices, but no permanent booths.
- Checkpoints consisting of VPC and new LPRs for operational integration (Southwest border)
 - Twenty locations using a fixed, tactical LPR solution and/or handheld devices.

Question: With respect to tactical checkpoints and lanes/checkpoints where fixed LPRs have not been deployed, where are mobile LPRs available? Do you have plans for additional mobile LPR procurements in FY11 and beyond? Why or why not?

ANSWER: CBP is concerned that there may be some confusion regarding terminology. To clarify, the Border Patrol defines the terms fixed, tactical, and mobile as they relate to the deployment of LPR technology as follows.

- Fixed – A “solid, permanently affixed LPR solution” which requires the presence of support infrastructure. These LPRs cannot be moved without significant work on the facility and the data/electrical support infrastructure associated with them.
- Tactical – An LPR solution that is installed with limited infrastructure and can be moved if deemed no longer effective in its current location. *(A tactical LPR solution is contained in a vehicle and may be transported from one location to another.)*
- Mobile – This comprises two distinct solutions; vehicle mounted and handheld LPR devices. This technology is currently in the development and testing/evaluation phase.

In FY 2011, CBP plans to deploy LPR devices at the following existing locations:

- One “fixed” LPR solution to the Las Cruces, NM checkpoint with four (4) lanes on Interstate 10 in Las Cruces NM.
- LPRs to 19 existing southwest border checkpoints with 29 lanes.

QUESTIONS FOR THE RECORD SUBMITTED BY

THE HONORABLE Nita M. Lowey

Commissioner Bersin
FY 2012 CBP BudgetNational Targeting Center Funding

Question: How would the increased funding requested in the budget for the National Targeting Center improve CBP's ability to analyze and share data?

ANSWER: Subsequent to the attempted terrorist bombings of Northwest flight #253 in December 2009, and Times Square in April 2010, CBP restructured passenger screening operations at the National Targeting Center-Passenger (NTC-P) to reflect a greater emphasis on pre-departure targeting and interdiction, and outbound targeting activities. In the last year, the NTC-P workload has more than doubled while the staffing has remained static, with no reduction in previous targeting responsibilities. NTC-P has added pre-departure targeting operations, outbound targeting including narcotics and fugitive apprehension, recurrent vetting of previously issued U.S. Visas, and expanded Immigration Advisory Program (IAP) support. Increased funding will allow NTC-P to appropriately staff these vital screening operations which will lead to more robust research and analysis, better response times to CBP field units and partner law enforcement and intelligence agencies, and reduce waiting times for travelers at U.S. ports of entry. Increased funding will also facilitate the planned consolidation and expansion of the Passenger and Cargo Targeting Centers into one facility. Moreover, increased funding will enable CBP to include additional partner government agency personnel at the NTC-P such as the U.S. Department of State Consular Watch Office, the U.S. Coast Guard Intelligence Coordination Center and the U.S. Immigration and Customs Enforcement Visa Security Unit. CBP is continually reassessing our resource needs as we continue to improve our targeting infrastructure and expand our capabilities at the NTC-P.

Passenger Screening

Question: With Secure Flight now operational, are you confident that both CBP and TSA are in position to prevent another Abdulmutallab-like incident from occurring, where a flagged individual was successful in boarding a US-bound flight?

ANSWER: Subsequent to the attempted terrorist bombings of Northwest flight #253 in December 2009, both CBP and the Transportation Security Administration (TSA) have taken major steps to mitigate the recurrence of a similar situation. CBP created the Pre-Departure targeting program which identifies high-risk passengers and other inadmissible aliens in order to prevent them from boarding commercial carriers bound for the United States from overseas locations that do not have a CBP Immigration Advisory Program (IAP) team presence. In partnership with the Department of State, CBP has also initiated recurrent vetting of U.S. visa holders to identify adverse changes to a traveler's admissibility status after they have been issued a U.S. visa. TSA launched Enhanced Security Screening initiatives which leverage the coordination between CBP and TSA to identify high-risk individuals for additional screening prior to boarding an aircraft bound for the United States.

Additionally, both CBP and TSA have expanded the number of records used during the watch list matching process. CBP has expanded the types of lookout records that are flagged during all of our passenger screening and targeting operations. CBP is confident these screening and targeting program enhancements significantly

improve our ability to prevent another Abdulmutallab-like incident. Specifically, these enhanced programs would enable CBP to identify Abdulmutallab as a high-risk, inadmissible alien which would result in CBP recommending that the similar passenger not be boarded by the carrier. Similarly, TSA has begun matching passenger data against the Expanded Selectee List which allows DHS to better identify passengers who may present a potential threat to aviation or national security prior to boarding an aircraft. The Expanded Selectee List initiative enables TSA to prescreen air passengers against records in the Terrorist Screening Database (TSDB) that contain full name and a complete date of birth, but are not currently included on the No Fly or Selectee Lists, thereby addressing one of the prescreening gaps identified since the attempted attack on December 25, 2009.

CBP and TSA continue to reevaluate their passenger targeting operations to ensure that we are both strategic and tactical in our approach and are able to respond to emerging threat streams, changing conditions in countries of interest, and evolving terrorist methodology.

Northern Border Security

Question: Why does the budget request include such a large disparity in funding between the two borders with regard to Border Fencing, infrastructure and technology when a recent GAO report stated that terrorists are far more likely to enter the United States via Canada than Mexico? What percent of the Northern border does CBP control today?

ANSWER: The northern border operating environment differs greatly from the southwest border and requires a different law enforcement and security approach. Partnerships between federal, state, local, and tribal law enforcement are critical, and act as force multipliers providing comprehensive awareness of the northern border environment. Close cooperation with Canadian law enforcement and security agencies is integral to successful security at the northern border. Infrastructure and technology tools are being constructed, developed or modified to help more effectively secure the northern border both at and between the ports of entry. CBP applies a strategic approach at and between the POEs, in the air, land, and maritime domains. CBP will use this strategic approach to deploy the appropriate level of resources to the northern border.

Under resource-based definitions that served CBP well during its formation of a post-9-11 strategy, the designated levels of operational status on our Nation's borders – including the Northern border's 3,987 linear miles – reflects capabilities based on quantities of personnel, technology, infrastructure and force multiplying partnerships with other federal, state, local, tribal and foreign law enforcement agencies. A small percentage of the Northern border – 32 miles at the end of FY 2009 (less than 1 percent .0095), reaching 69 miles by the end of FY 2010 (almost 2 percent .0173) – were targeted for the highest operational capabilities (commonly referred to as "effective control," "operational control" or simply, "OPCON") due to attributes present that require heavy personnel, technology and infrastructure resources. These areas include tourist attractions like Niagara Falls, New York, the Akwesasne Territory Indian Reservation, New York and the Peace Arch Garden in Blaine, Washington; channels that freeze in the winter creating ice bridges allowing for new routes of ingress; and sensitive areas surrounding less-than 24-hour Ports of Entry. Under the resource-based paradigm, the remaining border miles were designated at one of two operational status levels that reflected stepped-down resources: 938 miles at "monitored" and 2,980 at "low-level monitored" by the end of FY 2010.

The vast majority of Northern Border miles require fewer resources because the volume of illicit, cross-border activity is at a significantly lower volume than on the Southwest Border. With the exception of higher-risk areas of the Northern Border like the 69 miles mentioned in the above paragraph, lower volume lessens the need for immediate response and resolution that more than 17,700 Border Patrol agents currently provide along the Southwest Border. The Northern Border does, however, require the integration of intelligence and the force-multiplying advantage and geoawareness enhancement of partnerships that allow for a consistent ability to provide timely response to identified areas at greatest risk for exploitation.

CBP is in the process of reframing the meaning and purpose of its operational status levels, including OPCON, to more accurately reflect today's environment(s). OPCON will increasingly be based on building capability in a timely manner to be commensurate with level of threat and ultimately risk. As we have strengthened our capabilities – due in large part to the post 9-11 influx of important personnel, technology and infrastructure resources – we now have the platform to efficiently apply and plan for creating conditions along all areas of the border such that we can effectively mitigate known risks, which are dynamic and ever changing. This matured approach – conserving resources in lower risk environments while buttressing capabilities in other areas where greater risks are identified and predicted – offers a clearer, more accurate way to articulate what we mean by operational control of the border, namely, risk-based OPCON.

Risk-based OPCON is a dynamic condition that is neither static nor resourced-based, but instead, is contingent upon applying timely operational capability in given border environments commensurate with current risks in these areas. Since risks are constantly evolving and migrating to new areas, we must acknowledge that a certain amount of risk will likely exist in isolated places along the border. Though we cannot eradicate risk, we meet the challenge of risks by matching them with the required mitigation capabilities. Conditions on the Northern border dictate a different operational solution and organizational composition than that of the Southwest border. When resources and efforts are aligned with known risks, risk-based OPCON is not only practical, but fiscally responsible in an era of limited resources.

Border Violence

Question: To what extent are arms trafficked from the United States into Mexico being used in violence along the border? What more can Congress do to help stop this trade in weapons that is arming the criminal organizations in Mexico?

ANSWER: Border Patrol's outbound enforcement efforts, to include the interdiction of firearms, at all ports of entry are driven by available staffing, infrastructure, and technology. In response to the on-going issues pertaining to border violence and firearms smuggling along the Southwest Border (SWB), OFO has established outbound operations on a "pulse and surge" basis at its twenty-five land ports of entry, which are composed of forty-five crossings into Mexico. These "pulse and surge" operations have been conducted by approximately two hundred permanently assigned SWB CBP officers and one hundred sixteen BP agents. Additionally, CBP officers have been temporarily detailed over a period of time to Arizona to support the Alliance to Combat Transnational Threats (ACTT) operations. The deployment of additional CBP officers to Arizona permits CBP to conduct 24/7 outbound operations to mitigate the threat posed by violent criminal enterprises working in these areas. The Border Patrol supports the outbound enforcement efforts by augmenting OFO operations at the port with up to one hundred sixteen agents per day. OFO continues to be the lead on outbound efforts with OBP in a support role.

At the ports of entry (POEs) currently one of the immediate needs is the additional front-line staff requested by CBP in the FY 2012 budget request. The 300 additional CBP officers will be assigned to new and expanded POEs that were constructed in accordance with CBP's five-year modernization plan. These additional officers, including additional Canine Enforcement teams, will provide much needed assistance to move closer to the CBP officer staffing levels necessary at the new and expanded POEs. Without the additional personnel, the new POEs will have to be filled by reducing staff at existing locations where staffing is already declining, impacting the conduct of enforcement actions and potentially our ability to conduct outbound enforcement.

QUESTIONS FOR THE RECORD SUBMITTED BY

THE HONORABLE Lucille Roybal-Allard

Commissioner Bersin
FY 2012 CBP Budget

CBP Staffing at Airports

Question: I am concerned that insufficient CBP staffing at many U.S. airports may be impeding the flow of travelers and goods. For example, at Los Angeles International Airport (LAX), half of American Airlines' international arriving flights are being diverted to another terminal as a result of staffing issues. The carrier has apparently offered several different accommodations to CBP in an effort to resolve this customer service and operational disruption, but no solution has been reached. Concerns have also been expressed about long lines as travelers wait to pass through customs.

What steps is your agency taking to resolve the situation at LAX? Are you considering adding additional staffing resources in response? How is CBP working nationwide to reduce customs processing times while still maintaining the highest security standards?

ANSWER: The decision to process three American flights at the Tom Bradley International Terminal (TBIT), instead of Terminal 4 (American's terminal) was based on CBP LAX's long standing policy of limiting service at satellite terminals (i.e., Terminal 2, 4, 5 and 7) when there is a gap between arriving flights of two hours or more. In such cases, flights are granted landing rights at LAX but are processed at the TBIT, where the majority of CBP's resources reside. This approach ensures the efficient use of CBP resources (i.e., officers are not idle in between arriving flights) while providing service to the traveling public at the least cost to the government.

To address American Airline's customer service/operational concerns, CBP LAX has committed to pilot "Fast Track" for American Airline's morning flight (AA 170) at TBIT. The pilot began on March 7, 2011 and once assessed, CBP will determine if it will be expanded to American Airline's evening flights (AA 182 and 362). Under Fast Track, passengers with tight connections are identified and processed at special primary lanes to facilitate expeditious processing. Moreover, unlike other carriers that bus passengers to TBIT, American Airlines has the infrastructure built into their terminal to escort passengers from Terminal 4 into TBIT via a "sterile" tunnel which ensures the integrity of the program.

CBP will monitor progress at LAX as the pilot mentioned above continues and make recommendations for additional changes to include staffing if determined necessary.

CBP developed the Model Ports Initiative in partnership with industry stakeholders and included goals to improve staffing, professionalism, signage, brochures, instructional videos, and technology to expedite trusted travelers. The Model Ports pilot program was initiated in 2007 at Washington/Dulles and Houston International Airports. The program was officially expanded to the remaining 18 model ports at a kick-off meeting in Houston, Texas, on August 26, 2008. The 18 model ports included Los Angeles, Atlanta, Boston, Dallas/Ft. Worth, Chicago, Detroit, Ft. Lauderdale, Honolulu, Las Vegas, Miami, Newark, New York (JFK), Orlando, Philadelphia, Sanford (FL), San Juan, San Francisco, and Seattle airports.

The fully implemented Passenger Service Manager (PSM) program continues to be an important focus of the Model Ports Initiative to welcome travelers, provide appropriate assistance, and explain CBP procedures in order to minimize wait times.

In addition, CBP has installed signage at all Model Ports to inform travelers of the CBP mission, pledge to treat people with respect, as well as direct travelers regarding where to report and what documents to have ready for inspection in order to maximize efficiency. At airports with available space, stanchions and signage was provided to implement serpentine queuing systems at the passport primary inspection area to ensure travelers are not unnecessarily delayed when complex issues are addressed in one or more inspection booths.

CBP has also installed the audio and video displays which run the updated CBP 1-2-3 video, the "Welcome to the United States" video, and a one minute Global Entry promotional video at all Model Port locations. These videos provide a welcome experience to arriving travelers, inform them of CBP procedures to reduce the anxieties of the legitimate traveler, and market the Global Entry program to further reduce wait times. Global Entry, a CBP trusted traveler program, has recently been expanded to all 20 Model Ports. Global Entry is designed to expedite clearance of pre-approved low-risk air travelers entering the United States. This program, while maintaining the security of our borders, allows members to use automated kiosks at designated airports to bypass the regular Passport Control queues and enter the United States without routine CBP questioning (unless chosen for a selective or random secondary referral).

In order to make meaningful and responsive changes to the arrivals processes where practical, and apply resources where needed, CBP selected a contractor to work with CBP, the DHS Private Sector Office, and travel industry representatives to develop a traveler satisfaction survey. The survey will benchmark passenger satisfaction and CBP professionalism at the 20 Model Ports of Entry. The survey will be conducted in the Spring of 2011.

Working with the U.S. Department of State, CBP improved the Diplomatic arrival processes and has ensured that every model airport and terminal has dedicated Diplomatic processing lanes to welcome and expedited the entry of foreign dignitaries and diplomats. This represents at least 36 dedicated passport primary lanes at the nation's airports.

Concerns at the Port of Los Angeles/Long Beach

Question: Importers have repeatedly contacted my office with complaints about high fees, long delays and poor customer service associated with CBP's inspections at the Port of LA/Long Beach.

As a result, at least one seafood shipper in my district is considering sending its products through the Port of Houston instead. At a time when businesses in Southern California are suffering, these complaints are extremely troubling and I hope that we can work together to address them.

What can be done to improve CBP's performance at the Port of LA/Long Beach moving forward?

ANSWER: Recently, CBP has been reviewing the operations and management at the Port of LA/Long Beach. Several individuals, currently part of the management team, have recently been re-assigned to leverage certain skill sets they possess that should better meet the needs of the local importing community there. Additionally, we have recently assigned a new permanent Director of Field Operations at the Los Angeles Field Office with deep experience with CBP's cargo processing programs. Regarding seafood, several offices at Headquarters are actively involved in monitoring policies that affect these types of importations. Both the Trade Operations Division of the Office of Field Operations and the Office of International Trade will continue to review, update, communicate and change, if necessary, policies pertaining to examination, detention, sampling, bonding, anti-dumping and countervailing duty (AD/CVD) and entry/entry summary of seafood. These offices will continue to accept input from both the importing and domestic segments of the seafood industry. Due to the heavy

concentration of AD/CVD issues within this industry sector, CBP is required to balance the AD/CVD laws, regulations and policies which protect domestic industry while considering their impact on the importing community. The headquarters offices previously mentioned have had frequent recent contact with the port on all of these issues.

THURSDAY, MARCH 10, 2011.

U.S. COAST GUARD

WITNESS

ADMIRAL ROBERT J. PAPP, JR., COMMANDANT, U.S. COAST GUARD

OPENING STATEMENT: CHAIRMAN ADERHOLT

Mr. ADERHOLT. The Subcommittee will come to order. And today we welcome Admiral Papp, the Commandant of the Coast Guard, to what makes his first appearance before the Subcommittee. Admiral, while I think it is safe to say that you would rather be on the sea, we thank you for being here and we look forward to your testimony on the Coast Guard's fiscal year 2012 budget request.

The Coast Guard is currently in the midst of one of the most challenging periods in its 200-year history. On the one hand, the Coast Guard has laudably responded to unprecedented operational challenges such as the horrific Haitian earthquake and the prolonged BP oil spill. At the same time, the agency is showing real signs of stress and fatigue, to include a troubling increase in preventable but fatal accidents, higher maintenance costs, more frequent mechanical casualties aboard aging cutters and aircraft, and proposals to significantly scale back operational capabilities, active duty military personnel, and critical acquisitions.

In the wake of these challenges I believe the Coast Guard now finds itself at a tipping point between fulfilling its statutory missions and the realities of our Nation's fiscal crisis.

In fact, during last month's State of the Coast Guard Address you stated: Quote, "We may need to reduce the number and range of capabilities we have added since 9/11 until properly resourced, and this will be acceptable."

Admiral, this statement is disturbing on many levels. It is a stark admission that your budget does not sufficiently address your mission needs. And perhaps most troubling, it appears as though you are limiting the area of your budget that you are examining for contraction to only post-9/11 security capabilities. These are concerns that we must candidly discuss here today.

This brings us to your fiscal year 2012 budget request. Upon first glance this budget proposal appears fairly robust and balanced, but on closer examination there are requests in this budget that will significantly impact current operations and Coast Guard features.

First, despite your assertions that the Coast Guard must reconsider its mission priorities, your budget and its 5-year projection continues to support a mission needs assessment that was last updated in 2004.

Second, your budget proposes more than \$140 million in so-called efficiencies, administrative savings, and support reductions that are not clearly defined. Considering the fact that the Coast Guard

claimed just last month that it needed a budget adjustment of \$107 million for operations just to make ends meet and complete the current year, we need the details behind these seemingly arbitrary reductions.

Third, the Office of Management and Budget is delaying the fifth National Security Cutter by forcing you to fund closeout activities before you can award a contract for the cutter production this year. As a result of requesting funds for activities that will not occur for several years, an even greater strain will be placed upon your antiquated High Endurance Cutters and the cost and schedule of the National Security Cutter will grow.

And finally, your budget proposes to decommission one of the two heavy icebreakers and further study the needs for polar capabilities rather than confront the budget realities of what are known mission needs.

Admiral, at a time when the threats facing our Nation are as grave as they have ever been and our deficit spending is out of control, the first thing we need is truth in budgeting that gets our security priorities right. So the immediate and long-term impact of your budget request and how it supports our mission requirements are what we need to better understand here in this hearing this afternoon.

Admiral, we know that you have a tough job. That is precisely why we are relying on you to explain how this budget moves the Coast Guard forward and does so in a way that is fiscally responsible and appropriately justified.

Before I turn to the Admiral for his statement, let me recognize the distinguished ranking member, Mr. Price, of this Subcommittee for any remarks he may wish to make.

[The information follows:]

**The Honorable Robert Aderholt
Committee on Appropriations
Subcommittee on Homeland Security**

Opening Statement:

Coast Guard FY 2012 Budget Request

**Witness:
Admiral Robert Papp, Commandant**

2:00 PM | Thursday | March 10, 2011 | 2359 RHOB

Subcommittee will come to order [*gentle strike of gavel*] –

Today, we welcome Admiral Papp, the Commandant of the Coast Guard, to what marks his very first appearance before our Subcommittee.

Admiral, while I think we all know you'd rather be at sea right now, we thank you for being here and look forward to hearing your testimony on the Coast Guard's FY12 budget request.

The Coast Guard is currently in the midst of one of the most challenging periods of its 220-year history.

On one hand, the Coast Guard has laudably responded to unprecedented operational challenges such as the horrific Haitian earthquake and the prolonged BP oil spill.

But, at the same time, the agency is showing real signs of stress and fatigue to include: a troubling increase in preventable, but fatal accidents; higher maintenance costs; more frequent mechanical casualties aboard aging cutters and aircraft; and proposals to significantly scale back operational capabilities, active duty military personnel, and critical acquisitions.

In the wake of these challenges, I believe the Coast Guard now finds itself at a tipping point between fulfilling its statutory missions and the realities of our Nation's fiscal crisis.

In fact, during last month's State of the Coast Guard address, you stated, "We may need to reduce the number and range of capabilities we've added since 9/11, until properly resourced, and this will be acceptable...."

Admiral, this statement is disturbing on many levels—

⇒ It is a stark admission that your budget does not sufficiently address your mission needs.

⇒ And, perhaps most troubling, it appears as though you are limiting the areas of your budget that you are examining for contraction to *only* post-9/11 security capabilities.

These are concerns we must candidly discuss here today.

This brings us to your FY12 budget request. Upon first glance, this budget proposal appears fairly robust and balanced. But, upon closer examination, there are aspects to this budget that will significantly impact current operations and the Coast Guard's future.

First, despite your assertions that the Coast Guard must reconsider its mission priorities, your budget and its five-year projections continue to support a mission needs assessment that was last updated *in 2004*.

Second, your budget proposes more than \$140 million dollars in so-called "efficiencies", "administrative savings", and "support reductions" that are not clearly defined. Considering the fact that the Coast Guard claimed just last month that it needed a budget adjustment of \$107 million dollars for operations just to make ends meet and complete the *current* year, we need the details behind these seemingly arbitrary reductions.

Third, the Office of Management and Budget is delaying the fifth National Security Cutter by forcing you to fund close-out activities *before* you can award a contract for the cutter's production *this year*. As a result of requesting funds for activities that will not occur for several years, an even greater strain will be placed upon your antiquated High Endurance Cutters and the cost and schedule of the National Security Cutter will grow.

And finally, your budget proposes to decommission one of the two heavy icebreakers and further study the need for polar capabilities rather than confront the budget realities of what are known mission needs.

Admiral, at a time when the threats facing our Nation are as grave as they have ever been and our deficit spending is out of control, the first thing we need is truth-in-budgeting that gets our security priorities right. So, the immediate and long-term impacts of your budget request, and how it supports mission requirements, are what we need to better understand here today.

Admiral, we know you have a tough job – that is precisely why we are relying upon you to explain how this budget moves the Coast Guard forward and does so in a way that is fiscally responsible and appropriately justified.

Before I turn to the Admiral for his statement, let me recognize the distinguished Ranking Member of this Subcommittee for any remarks he wishes to make.

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OPENING STATEMENT: CHAIRMAN PRICE

Mr. PRICE. Thank you, Mr. Chairman. Admiral, welcome to the Subcommittee. You assumed the Commandant's position just over 8 months ago and we are pleased to welcome you here today for your first hearing, before us anyway, on the Coast Guard's 2012 budget request.

Over the past year, the Coast Guard has operated in a number of challenging environments: From the earthquake in Haiti, where you assisted in both humanitarian efforts and port restoration, to the unprecedented Deepwater Horizon oil rig explosion and cleanup where over 3,000 of your personnel recovered more than 34 million gallons of oil-water mix and performed controlled burns to remove more than 11 million gallons of oil to protect our shorelines. Those were impressive feats, and I commend all of the men and women of the Coast Guard for your efforts.

While there have been these high notes, the Coast Guard has also experienced some unfortunate events. Over the past 2 years the Coast Guard has had too many accidents. I know you agree. Accidents that resulted in the tragic loss of 14 aviators and a Marine Safety and Security Team member. This accident rate is unprecedented, and I know you are working hard to rectify it. You have required aviation standdowns to review safety operations and have implemented recommendations from these assessments. We hope and pray that these efforts pay off and we can avoid these type of mishaps during the remainder of 2011 and through the next fiscal year.

In total, the administration is requesting \$8.677 billion in discretionary resources for the Coast Guard in fiscal 2010. This level is about 2 percent, or \$135.5 million, above the 2010 enacted level. I am pleased to note that this request does not include some elements with which this Subcommittee disagreed last year: Significant reductions in manpower, for example, or accelerated decommissioning of planes and ships without the timely acquisition of new ones to replace them.

Admiral, your State of the Coast Guard Address of February 10th gave advanced notice of key aspects of your 2012 budget request. You emphasized recapitalizing and building capacity as well as crisis response and management capabilities. You are requesting \$1.4 billion to rebuild your aviation and cutter assets so that you can replace aging and unreliable assets. The budget also includes a substantial increase in shore facilities to accommodate these new assets as they come online. There is \$22.2 million to hire new personnel to enhance your agency's ability to prevent disasters in the Nation's waters and respond to them when they occur. And the budget includes \$39 million for the polar ice breaking program, an activity that was recently transferred from the National Science Foundation to the Coast Guard.

At the same time the Coast Guard, like every Homeland Security agency, has been asked to be good stewards of taxpayer dollars and to find savings where possible. This budget includes approximately \$130 million in savings from management efficiencies, administrative services, and the decommissioning of aging assets that will be replaced by 2012.

I understand that these reductions will in no way jeopardize your ability to update your ships, planes, boats and shore facilities so the Coast Guard can continue to perform its mission unimpeded. We will count on you to let the Subcommittee know if this is not the case.

We hold the men and women of the Coast Guard in the highest regard on this Subcommittee. To paraphrase your statement in the Coast Guard address: You protect citizens from the sea, you protect America from threats delivered by the sea, and you protect the sea itself. All are distinct missions yet interrelated and critically important.

Our job here today and through the appropriations process is to ensure that your budget adequately resources the Coast Guard to fulfill these missions. At the same time it is important to note that no program or account is off limits to scrutiny. I know you share that point of view, Admiral, and I look forward to working with you again this year.

[The information follows:]

Opening Statement by Ranking Member Price
Coast Guard Fiscal Year 2012 Budget Hearing
March 10, 2011

Admiral Papp, you assumed the Commandant's position just over 8 months ago, and we are pleased to welcome you today before this Subcommittee for your first hearing on the Coast Guard's fiscal year 2012 budget request. Over the past year, the Coast Guard has operated in a number of challenging environments, from the earthquake in Haiti, where you assisted in both humanitarian efforts and port restoration, to the unprecedented Deepwater Horizon oil rig explosion and clean-up, where over 3,000 of your personnel recovered more than 34 million gallons of oil-water mix and performed controlled burns to remove more than 11 million gallons of oil to protect our shorelines. Both were impressive feats, and I commend all the men and women of the Coast Guard for their efforts.

While there have been some high notes, the Coast Guard has also experienced some unfortunate events. Over the past two years, the Coast Guard has had too many accidents, which have resulted in the tragic loss of fourteen aviators and a Marine Safety and Security Team member. This accident rate is unprecedented, and I know you have been working hard to rectify it. You've required aviation "stand downs" to review safety operations and have implemented recommendations from these assessments. We hope and pray that these efforts pay off and that we can avoid these types of mishaps during the remainder of 2011 and through 2012.

In total, the Administration is requesting \$8.677 billion in discretionary resources for the Coast Guard in fiscal year 2012. This level is about 2 percent, or \$135.5 million, above the 2010 enacted level. I am pleased to note that this request does not include elements with which this Subcommittee disagreed last year: significant reductions in manpower, for example, or accelerated decommissioning of older ships and planes without the timely acquisition of new ones to replace them.

Admiral Papp, your State of the Coast Guard Address of February 10th gave advance notice of key aspects of your 2012 budget request. You emphasized recapitalizing and building capacity as well as crisis response and management capabilities. You're requesting \$1.4 billion to rebuild your aviation and cutter assets so that you can replace aged and unreliable assets. The budget also includes a substantial increase in shore facilities to accommodate these new assets as they come on line. There's \$22.2 million to hire new personnel to enhance your agency's ability to prevent disasters on the Nation's waters and respond to them when they occur. And the budget includes \$39 million for the polar icebreaking program, an activity that was recently transferred from the National Science Foundation to the Coast Guard.

At the same time, the Coast Guard, like every DHS agency, has been asked to be good stewards of the taxpayers' dollars and to find savings where possible. This budget includes approximately \$130 million in savings, from management efficiencies, administrative services, and the decommissioning of aging assets that will be replaced in 2012. I

understand that these reductions will in no way jeopardize your ability to update your ships, planes, boats, and shore facilities so that the Coast Guard can continue to perform its missions unimpeded. Please let this Subcommittee know if this is not the case.

We hold the men and women of the Coast Guard in the highest regard on this Subcommittee. To paraphrase your State of the Coast Guard Address, you protect citizens from the sea, you protect America from threats delivered by sea, and you protect the sea itself. All are distinct missions, yet interrelated and critically important. Our job here today and through the appropriations process is to ensure that your budget adequately resources the Coast Guard to fulfill these missions. At the same time, it's important to note that no program or account will be off limits to scrutiny. Admiral Papp, I have no doubt that you share this point of view, and I look forward to working with you this year.

OPENING STATEMENT: ADMIRAL PAPP

Mr. ADERHOLT. Thank you, Mr. Price. Admiral Papp, we look forward to hearing your testimony.

Admiral PAPP. Good afternoon, Mr. Chairman and Ranking Member Price. Sir, you are absolutely right. I would rather be at sea, but I got about 14 years of my career where I was able to do that, and as an old sailor on a day like today when it is rainy and cold outside, I welcome the opportunity to be inside the room. But more than anything else, I am privileged to be here so that I can try to provide that support that the people who are currently sailing out there and protecting our shores desperately need.

Over the past year Americans have seen the Coast Guard in action like never before: In January, responding to the devastating earthquake in Haiti and in April responding to the Deepwater Horizon oil rig explosion and oil spill. These responses received a lot of attention and rightly so. But all the while, thousands of Coast Guard men and women were also performing our many other challenging and persistent maritime missions.

This past week is typical. The Coast Guard Vessel Traffic Service in Sault Ste. Marie, Michigan, which is on the St. Mary's River in Michigan, or what local mariners call Sault Traffic, celebrated its 115th year of operation. Last year, Sault Traffic helped 61,500 vessels to safely carry over 70 million tons of cargo with a value of over \$3 billion. And our Coast Guard ice breakers are up there now enabling the flow of cargoes like iron ore and coal from the fields of Minnesota being shipped to the steel mills in Indiana and Ohio, cargo that is critical to American jobs and to our economy.

Just last week as well, eight members of a Coast Guard Maritime Safety and Security Team from San Diego returned home from a 4-month deployment in the Gulf of Aden in support of our joint task force anti-piracy mission. The Coast Guard has been training boarding teams to board U.S. Navy ships and conducted three high-risk boardings of suspected pirate vessels. Also, last week in the Gulf of Mexico, Coast Guard air and cutter crews from Mobile, New Orleans, and Morgan City rescued oil workers from their platform when it caught fire and then monitored for pollution.

The 39-year-old cutter Midget, actually the youngest of our High Endurance Cutters, returned from a counter-drug patrol in the eastern Pacific, where the patrol detected and intercepted a self-propelled semi-submersible vessel disrupting 2 tons of cocaine and containing two suspected smugglers.

In the Straits of Florida, the cutter Ocracoke repatriated 14 Cuban migrants after they were interdicted along with two suspected smugglers from a small vessel just north of Cuba. And the cutters Bear and Kodiak Island rescued and interdicted 87 Cuban migrants who were bound for Miami and 6 brave lieutenants and their crews onboard. Six Coast Guard patrol boats in the northern Arabian Gulf continue to serve our country and provide for the security of the country of Iraq working for the Central Command.

These missions protect U.S. national interests. They are missions that not only the Coast Guard has the authorities, competencies and capabilities to do, but no one else can do them. Our Homeland

is safer and more secure because Coast Guard men and women perform them so ably.

What concerns me is that our aging fleet of cutters and aircraft continue to cost us both in dollars and in mission performance. It is vital that we protect our waterways by sustaining frontline operations while continuing to recapitalize our fleet.

So as you noted, I reported in my State of the Coast Guard Address our service is ready to meet mission demands, but we are facing many challenges. Our fiscal year 2012 budget request responds to these challenges. Given current fiscal realities, I have directed management efficiencies and targeted reductions in administrative costs and professional services totaling over \$100 million. We will reinvest these savings in frontline operations. And my priorities for this budget are: first, to sustain our frontline operations; second, to rebuild the Coast Guard; third, to enhance maritime incident prevention and response; and then last, to support our military families.

Now, in sustaining our frontline operations, the fiscal year 2012 budget requests roughly \$200 million over either the President's request for 2011 or the continuing resolution. It funds the military pay raise and increases in other benefits, which enable our service to continue to maintain and attract highly competent people. It also provides operating funds for the new National Security Cutter, new patrol boats, new response boats, new maritime patrol aircraft, and support for our obsolete polar ice breakers. And it increases depot-level funding to sustain our aging fleet of ships and aircraft.

In terms of rebuilding the Coast Guard, my second priority, we are requesting over \$1.4 billion for our ongoing recapitalization effort, an effort that has already begun to show operational impact.

As an example, during her first patrol, the National Security Cutter *Bertholf* interdicted 12,500 kilograms of cocaine with a street value of nearly \$400 million and detained nine suspected drug smugglers. Last week, one of our new Maritime Patrol Aircraft, the *Ocean Sentry*, was instrumental in disrupting two drug smuggling events in the Strait of Florida and then diverted to assist a vessel that was taking on water, all in a single patrol, and was able to do that because it has twice the duration of flight over the aircraft that it is replacing and carries a modern sensor package.

New assets like the National Security Cutter and the Maritime Patrol Aircraft enhance our ability to keep drugs from reaching our shores and literally save lives.

In terms of enhancing maritime incident prevention and response, it is vital that we ensure the safe and efficient flow of maritime commerce, protect our national resources, and effectively manage incidents when they occur. The 2012 budget does this by improving the capacity and competency of our work force. \$10.7 million is allocated for the hiring of additional marine inspectors, investigators, and fishing vessel safety examiners, and \$11.5 million is provided to fund a new national Incident Management Assist Team (IMAT). The IMAT will assist in day-to-day missions and respond to large-scale events such as spills of national significance, hurricanes, or other disasters.

Then finally, supporting military families. You can't have a strong military workforce without healthy families, and this budget puts us on track to receive needed housing construction monies and funds that will begin to close the child care gap that we find compared to the Department of Defense.

In conclusion, for over 220 years the Coast Guard has provided for the safety and security of American citizens and our ports and waterways. As the lead maritime component of the Department of Homeland Security, the fiscal year 2012 budget will ensure that the Coast Guard is able to continue to perform our vital maritime missions.

Thank you for the opportunity to testify today, and I look forward to your questions, sir.

[The statement of Admiral Papp follows:]

U. S. Department of
Homeland Security

United States
Coast Guard



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**TESTIMONY OF
ADMIRAL ROBERT J. PAPP, JR.
COMMANDANT, U.S. COAST GUARD**

**ON THE
COAST GUARD FISCAL YEAR 2012 BUDGET REQUEST**

**BEFORE THE
HOUSE APPROPRIATIONS SUBCOMMITTEE ON HOMELAND SECURITY**

MARCH 10, 2011

INTRODUCTION

Good morning Mr. Chairman and distinguished members of the Committee. Thank you for the continuing support you have shown to the men and women of the United States Coast Guard. Most recently, your support in passage of the Coast Guard Authorization Act of 2010 provided the Coast Guard with improved acquisition oversight, enhanced workforce expertise and partnerships, and the ability to move forward with key modernization initiatives to enhance mission execution.

I am here today to discuss the Coast Guard's Fiscal Year (FY) 2012 Budget Request. Before I discuss the details of the request, I would like to take this opportunity to discuss the Coast Guard's value and role, some of our recent operations, including our recent response to the BP Deepwater Horizon Oil Spill, and the current budget environment.

For more than 220 years, the U.S. Coast Guard has safeguarded the Nation's maritime interests and natural resources on our rivers and ports, in the littoral regions, on the high seas, and around the world. The Coast Guard saves those in peril and protects the Nation's maritime border, marine transportation system, natural resources, and the environment. Over the past year, Coast Guard men and women – active duty, reserve, civilian and auxiliaries alike – continued to deliver premier service to the public. They saved over four thousand lives, protected our borders by stopping the flow of drugs and illegal migrants, and performed admirably in response to the largest spill in our nation's history – the Deepwater Horizon oil spill.

How does the Coast Guard operating model serve our public? The Coast Guard is an adaptable, responsive, military force of maritime professionals whose broad legal authorities, assets, geographic diversity, and expansive partnerships provide a persistent presence in the inland waters, ports, coastal regions, and far offshore areas of operations. This presence, coupled with over 220 years of experience as the Nation's maritime first responder, provides our Nation with tremendous value in service to the public.

The Coast Guard's value and role:

- We protect those on the sea: leading responses to maritime disasters and threats, ensuring a safe and secure maritime transportation system, preventing incidents, and rescuing those in distress.
- We protect America from threats delivered by sea: enforcing laws and treaties, securing our ocean resources, and ensuring the integrity of our maritime domain from illegal activity.
- We protect the sea itself: regulating hazardous cargo transportation, holding responsible parties accountable for environmental damage and cleanup, and protecting living marine and natural resources.



Fire boat response crews battle the blazing remnants of the off shore oil rig Deepwater Horizon. A Coast Guard MH-65C dolphin rescue helicopter and crew document the fire while searching for survivors on April 21, 2010.

The Coast Guard, working through DHS, led the Administration's response to the BP Deepwater Horizon oil spill, the first-ever Spill of National Significance, leveraging resources from across the country and around the world. The Coast Guard was the first agency on scene the night the Mobile Offshore Drilling Unit (MODU) Deepwater Horizon exploded, searching for those in distress and providing Federal on-scene presence. During the response, the Coast Guard worked closely with our Federal partners and industry to leverage resources where needed while carrying out our other missions throughout the world. From nearly every corner of the country the Coast Guard surged over 7,000 people, including members of the Coast Guard Reserve and Auxiliary, to support the response. Coast Guard members served in cutters and boats, in fixed and rotary-wing aircraft, and in the shore-side incident command system. The Coast Guard's adaptive operational model allowed for the:

- Integration of government and industry to contain the spill, recover more than 34.7 million gallons of oil-water mix, and perform controlled burns to remove more than 11 million gallons of oil from open water to protect the shoreline and wildlife.
- Deployment of 46 cutters and 22 aircraft. Surface assets included Medium Endurance Cutters (210-ft and 270-ft), Sea-going and Coastal Buoy Tenders (225-ft and 175-ft), Ice Breaking Tugs (140-ft) and Patrol Boats (179-ft, 110-ft and 87-ft). Air assets included Long and Medium-range Surveillance Aircraft (HC-130 and HC-144A) and Short and Medium Range helicopters (HH-60 and HH-65).

While 2010 was another exceptional "operational year" by any standard, these operations further stressed existing aged and obsolete cutters, boats, aircraft and support infrastructure that are in dire need of recapitalization. Furthermore, these extended surge operations strained workforce readiness due to increased op-tempo and deferred training. Even in the current fiscal environment where resources are scarce, we must continue to rebuild the Coast Guard, support

front-line operations, invest in our people and families, and enhance maritime incident prevention and response capabilities to meet mission demands and ensure resiliency in the maritime domain.

FY 2012 REQUEST

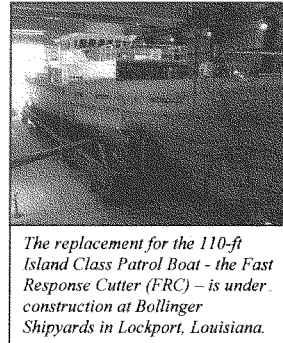
In Fiscal Year 2012, the Coast Guard will focus resources to advance strategic priorities. Through tough decisions and resource trade-offs, the Coast Guard's FY 2012 budget leverages savings generated through management efficiencies and offsets, and allocates funding toward higher order needs to support front-line operations. These offsets and reductions supported implementation of the following FY 2012 budget priorities:

- Rebuild the Coast Guard
- Sustain Front-line Operations
- Enhance Maritime Incident Prevention and Response
- Support Military Families

Highlights from our request are included in Appendix I.

Rebuild the Coast Guard

The Coast Guard's FY 2012 budget requests \$1.4 billion to continue recapitalization of cutters; boats; aircraft; Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) systems; and infrastructure to improve mission readiness by replacing aged, obsolete, and unreliable assets. The FY 2012 budget requests funding for 40 Response Boats and six Fast Response Cutters, as well as a sizable investment in the renovation and restoration of shore facilities. This budget also provides resources to ensure that the Coast Guard's aviation fleet is mission-ready through the acquisition of two Maritime Patrol Aircraft, one HH-60 helicopter, and conversion and sustainment projects of multiple aircraft. Investment in Coast Guard recapitalization is essential to mission execution.



The replacement for the 110-ft Island Class Patrol Boat - the Fast Response Cutter (FRC) - is under construction at Bollinger Shipyards in Lockport, Louisiana.

Sustain Front-line Operations

To ensure the Coast Guard is able to meet the needs of the Nation, the FY 2012 budget balances resources between investments in capital assets, initiatives to sustain front-line operations, and measures to enhance mission execution. The FY 2012 budget requests \$67.7 million to operate new assets delivered through asset recapitalization programs and provides funding to support personnel and in-service assets. Moreover, funding is included to operate CGC HEALY and support the operational reactivation of CGC POLAR STAR. The Coast Guard plans to decommission CGC POLAR SEA in FY 2011 and transition her crew to CGC POLAR STAR, enabling orderly transition to CGC POLAR STAR and facilitating her return to operations in FY 2013.

Enhance Maritime Incident Prevention and Response

Coast Guard Marine Safety and Environmental Response personnel promote safe and efficient travel, facilitate the flow of commerce in the maritime domain, and protect our natural resources. The FY 2012 budget requests \$22.2 million to advance implementation of the Coast Guard's Marine Safety Performance Plan and Marine Environmental Response Mission Performance Plan. During the response to the Deepwater Horizon oil spill, Coast Guard incident responders established and executed the Incident Command System to lead an effective, unified effort. The Coast Guard will enhance these core competencies in FY 2012 to keep pace with an ever-growing and evolving maritime industry and ensure continued proactive leadership to prevent disasters on the Nation's waters and remain ready to respond if they occur. Additionally, funding requested in the FY 2012 budget will assist in meeting Coast Guard Authorization Act of 2010 requirements regarding dockside examinations by adding examiners to improve fishing vessel safety.

Support Military Families

The Administration is committed to improving the quality of life for military members and their families. The health and welfare of families is the heart of operational readiness. The FY 2012 budget includes \$29.3 million to address critical housing shortfalls and improve access to affordable, quality childcare. These initiatives will ensure Coast Guard members are *Semper Paratus* for all hazards and all threats.

CONCLUSION

The demands on the Coast Guard remain high. As we have for over 220 years, we remain ready to meet the Nation's many maritime needs supported by the FY 2012 request. We will always fulfill our duties and obligations to the American people, true to "Semper Paratus, Always Ready." I request your full support for the President's FY 2012 request. Again, thank you for the opportunity to testify before you today. I am pleased to answer your questions.

Appendix I - FISCAL YEAR 2012 BUDGET REQUEST**REBUILD THE COAST GUARD****Surface Assets****\$642M (0 FTE)**

The budget provides \$642 million for surface asset recapitalization and sustainment initiatives, including:

- **National Security Cutter (NSC)** – Fully funds NSC-5 (anticipates \$615 million provided for NSC-5 in 2011). The NSC is replacing the High Endurance Class.
- **Offshore Patrol Cutter (OPC)** – Sustains initial acquisition work and design of the OPC. The OPC will replace the Medium Endurance Cutter class to conduct missions on the high seas and coastal approaches.
- **Fast Response Cutter (FRC)** – Provides production funding for six FRCs to replace the 110-ft Island Class Patrol Boat.
- **Response-Boat Medium (RB-M)** – Provides production funding for 40 boats.
- **Medium Endurance Cutter (MEC)** – Provides for operational enhancement of five MECs at the Coast Guard Yard through the Mission Effectiveness Program.

Air Assets**\$289.9M (0 FTE)**

The budget provides \$289.9 million for the following air asset recapitalization or enhancement initiatives, including:

- **MH-60T** – Replaces one Jayhawk lost in an operational crash in 2010.
- **HC-144** – Funds production of two Maritime Patrol Aircraft and procurement of up to five Mission System Pallets and associated spare parts to complete outfitting of the fleet.
- **HH-60** – Funds service life extension and component upgrades for eight aircraft.
- **HH-65** – Funds sustainment of key components.
- **HC-130H** – Funds Avionics Upgrade and Center Wing Box (CWB) replacements.

Asset Recapitalization – Other**\$166.1M (0 FTE)**

The budget provides \$166.1 million for the following equipment and services:

- **Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR)** – Deploys standardized C4ISR capability to newly fielded NSCs and MPAs, and develops C4ISR capability for the OPC. Interoperable and integrated C4ISR is essential to the efficient and effective operation of these assets.
- **CG-Logistics Information Management System (CG-LIMS)** – Continues development and prototype deployment to Coast Guard operational assets and support facilities.

- **Rescue 21** – Completes deployment at Sectors Lake Michigan, San Juan, PR, Honolulu, HI, Guam; and continues replacement of legacy VHF systems in the Western Rivers.
- **Interagency Operations Center (IOC)** – Deploys Watchkeeper Information Sharing capability to three IOC locations. Commences deployment of the sensor management capability; resulting in improved capability to see, understand, and share tactical information critical to security and interagency coordination in vulnerable ports and coastal areas.

Shore Units and Aids to Navigation (ATON)
\$193.7M (0 FTE)

The budget provides \$193.7 million to recapitalize shore infrastructure for safe, functional and modern shore facilities that effectively support Coast Guard assets and personnel:

- Cape May, NJ – Replaces a condemned pier critical to execution of patrol boat missions.
- Corpus Christi, TX – Implements Sector/Air Station Corpus Christi consolidation in order to properly hangar, maintain, and operate MPA and enhance mission effectiveness.
- Chase Hall Barracks, New London, CT – Continues renovations at the Coast Guard Academy by modernizing cadet barracks.
- Commences construction of the #3-6 FRC homeports, C4ISR training facility, and continues modifications to Air Station Miami to accommodate new MPA.
- Station Memensha Boathouse, Chilmark, MA – Replaces the boathouse destroyed by a fire in July 2010 essential to supporting coastal law enforcement, security and safety operations.
- TRACEN Petaluma, CA Wastewater Treatment Plant – Recapitalizes and expands the capability of the Wastewater Treatment Plant to ensure compliance with environmental regulations.
- Station Fairport, Ohio – Recapitalizes multi-mission boat station, originally constructed in 1918, to facilitate current-day operations.
- ATON Infrastructure –Improves short-range aids and infrastructure to promote the safety of maritime transportation.

Personnel and Management
\$110.2M (794 FTE)

The budget provides \$110.2 million to provide pay and benefits for the Coast Guard's acquisition workforce. The budget includes additional resources to support the government-wide Acquisition Workforce Initiative to bolster the professional development and capacity of the acquisition workforce.

SUSTAIN FRONT-LINE OPERATIONS**Pay & Allowances****\$66.1M (0 FTE)**

The budget provides \$66.1 million to maintain parity of military pay, allowances, and health care with the Department of Defense (DOD). As a branch of the Armed Forces of the United States, the Coast Guard is subject to the provisions of the National Defense Authorization Act (NDAA), which includes pay and personnel benefits for the military workforce.

Annualization of Fiscal Year 2011**\$53.9M (194 FTE)**

The budget provides \$53.9 million to continue new initiatives begun in the prior year, including increased counternarcotics enforcement through enhanced Law Enforcement Detachment (LEDET) capacity and follow-on funding for new assets (e.g., NSC, FRC, MPA, etc.).

Surface and Air Asset Follow-on**\$50.8M (220 FTE)**

The budget provides a total of \$50.8 million to fund operations and maintenance of cutters, boats, aircraft, and associated subsystems delivered through major cutter, aircraft, and associated C4ISR acquisition efforts. Funding is requested for the following assets:

- RB-M-Funding for maintenance, repair and operational costs.
- FRC – Operating and maintenance funding for FRCs #6-8 and funding for crews #9-10. These assets will be homeported in Miami and Key West, FL. Funding is also requested for shore-side maintenance personnel needed to support FRCs.
- NSC – Signals Intelligence Capability follow-on and Crew Rotational Concept implementation for three NSCs located in Alameda, CA.
- HC-144A MPA – Operating and maintenance funding for aircraft #14; support and maintenance of Mission System Pallets 1-12.
- C4ISR Follow-on – Funding to maintain more than 200 C4ISR systems deployed and delivered by the Coast Guard C4ISR Program.
- Helicopter Systems – Funding to operate and maintain communications and sensor systems for HH-60 and HH-65 helicopters.
- Asset Training System Engineering Personnel - Funding to support NSC and FRC training requirements at Training Center Yorktown.

Polar Icebreaking Program**\$39M (180 FTE)**

The budget requests \$39 million in polar icebreaking budget authority. Funding will support the operation and maintenance of CGC HEALY and prepare for the operational reactivation of CGC POLAR STAR. The Coast Guard plans to decommission CGC POLAR SEA in FY 2011 and transition her crew to CGC POLAR STAR, enabling efficient transition to CGC POLAR STAR and facilitating her return to operations in FY 2013.

Critical Depot Level Maintenance
\$28.7M (0 FTE)

The budget provides \$28.7 million for critical depot level maintenance and asset sustainment for vessels, aircraft, and shore infrastructure. Funding will increase support levels for the 140-, 175-, and 225-foot classes of cutters, restore aircraft spare parts and provide sustainment for aging shore infrastructure.

Distress Alerting Satellite System (DASS)
\$6.3M (1 FTE)

The budget provides \$6.3 million to begin replacement of the Search and Rescue Satellite Aided Tracking (SARSAT) system with the Distress Alerting Satellite System (DASS). This multi-agency partnership also includes the National Aeronautics and Space Administration (NASA), the National Oceanic and Atmospheric Administration (NOAA), the U.S. Air Force (USAF). Recapitalization of the SARSAT system beginning in FY 2012 is critical to ensure no loss of coverage in distress notification and life saving response during the planned deactivation of the legacy SARSAT system.

Coast Guard Network Security
\$8.6M (0 FTE)

The budget provides funding for the Coast Guard to transition from its commercially provided Internet Access Points (IAPs) to DOD IAPs via the Defense Information Systems Agency (DISA) to ensure security of vital networks and meet cyber security requirements.

ENHANCE MARITIME INCIDENT PREVENTION AND RESPONSE

Marine Safety Enhancement
\$10.7M (53 FTE)

The budget provides \$10.7 million and 105 personnel to implement the next segment of the Marine Safety Performance Plan by investing in Marine Safety Inspectors, Investigators, and Fishing Vessel Safety Examiners at Coast Guard Sectors. This initiative furthers the Coast Guard's efforts to achieve an appropriate mix of military and civilian personnel with the necessary skill-sets and experience to perform Marine Safety inspections and investigations.

Marine Environmental Response Enhancement
\$11.5M (44 FTE)

The budget provides \$11.5 million and 87 personnel to enhance Marine Environmental Response (MER) capacity. This initiative supports the Marine Environmental Protection Mission by providing funding for an MER Incident Management and Assist Team (IMAT) and increasing technical expertise and strengthening MER career paths at Coast Guard Sectors and Strike

Teams. The request is the initial investment in the Coast Guard's initiative to improve mission performance in accordance with the MER Mission Performance Plan.

SUPPORT MILITARY FAMILIES

Child Development Services \$9.3M (6 FTE)

The budget provides \$9.3 million to increase access to child care services for Coast Guard families with dependents under the age of 12, better aligning the Coast Guard with the Department of Defense (DOD) child care standards. Additionally, this request funds 12 new positions critical to ensuring continued accreditation of the Coast Guard's nine child development centers by the National Association for the Education of Young Children.

Military Housing \$20.0M (0 FTE)

The budget provides \$20.0 million to build family housing units at Sector Columbia River and recapitalize the Air Station Cape Cod Unaccompanied Personnel Housing, the highest priority housing projects, critical to the well-being of military personnel and their families assigned to these geographic regions.

DECOMMISSIONINGS, EFFICIENCIES, AND SAVINGS

High Endurance Cutter Decommissioning -\$6.7M (-92 FTE)

As part of its long-term recapitalization plan, the Coast Guard is decommissioning HECs as NSCs are delivered and made operational. The average age of the HEC fleet is 43 years and these assets are failing at an increased rate resulting in lost operational days and increased maintenance costs. The Coast Guard will decommission one High Endurance Cutter (HEC) in FY 2012.

PC-179 Patrol Coastal Decommissioning -\$16.4M (-108 FTE)

The three remaining 179-foot Patrol Coastal (PC) vessels will be decommissioned per a January, 2007 Memorandum of Agreement (MOA) with the U.S. Navy. These vessels will be returned to the U.S. Navy in FY 2012.

Standard Workstation Help Desk consolidation -\$6.9M (0 FTE)

Consolidates computer workstation support into two regional centers, eliminating 56 contractors.

Program Support Reduction
-\$13.6M (0 FTE)

Reduction in programmatic support across the Coast Guard including support reductions for: small boat replacement, reservist and contract support for audit remediation, innovation program funding, recruiting, and training opportunities.

ADMINISTRATIVE SAVINGS INITIATIVES

In FY 2012 the Coast Guard will seek efficiencies and make targeted reductions in order to sustain front-line operational capacity and invest in critical recapitalization initiatives.

Management Efficiencies
-\$61.1M (0 FTE)

Consistent with the Secretary of Homeland Security's Efficiency Review and building upon efforts in previous fiscal years, efficiencies will be generated by leveraging centralized purchasing and software licensing agreements, reductions in printing and publications, reductions in shipping and the transportation of things, reductions in advisory and assistance contracts, minimizing purchases of supplies and materials, office equipment consolidation, implementing automation and energy conservation/savings measures, and limiting government usage of commercial facilities.

Professional Services Reduction
-\$15.2M (0 FTE)

A reduction in professional services contracts for enterprise-wide mission support and operational support activities.

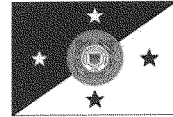
Non-Operational Travel Reduction
-\$10.0M (0 FTE)

A 25% reduction in Coast Guard-wide non-operational travel, including travel for training, professional development, conferences, and international engagement.



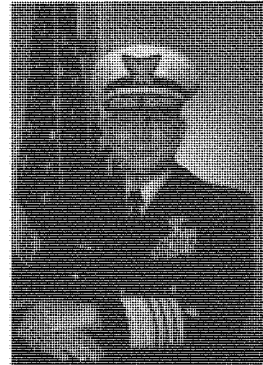
Admiral Robert J. Papp, Jr.

Commandant, U.S. Coast Guard



Admiral Robert J. Papp, Jr. assumed the duties of the 24th Commandant of the U.S. Coast Guard on May 25, 2010. He leads the largest component of the Department of Homeland Security (DHS), comprised of 42,000 active duty, 8,200 Reserve, 8,000 civilian and 31,000 volunteer Auxiliarists.

The Coast Guard is "Semper Paratus" – Always Ready – to use its distinctive blend of military, humanitarian and law enforcement capabilities to save lives and property at sea, protect and maintain our ports and maritime transportation system, secure our borders, respond to natural disasters, protect our marine environment and defend our Nation. The Coast Guard is also America's oldest continuous seagoing service and one of the Nation's five armed services. We trace our history back to August 4th, 1790, when the first Congress authorized the construction of ten vessels to enforce tariff and trade laws and to prevent smuggling. Our people are committed to the Coast Guard's core values of Honor, Respect and Devotion to Duty.



As a flag officer, Admiral Papp served as Commander, Coast Guard Atlantic Area, where he was operational commander for all U.S. Coast Guard missions within the eastern half of the world and provided support to the Department of Defense; as the Chief of Staff of the Coast Guard and Commanding Officer of Coast Guard Headquarters; as Commander, Ninth Coast Guard District, with responsibilities for Coast Guard missions on the Great Lakes and Northern Border; and as Director of Reserve and Training where he was responsible for managing and supporting 13,000 Coast Guard Ready Reservists and all Coast Guard Training Centers.

Admiral Papp has served in six Coast Guard Cutters, commanding four of them: RED BEECH, PAPAW, FORWARD, and the training barque EAGLE. He also served as commander of a task unit during Operation ABLE MANNER off the coast of Haiti in 1994, enforcing United Nations Sanctions. Additionally, his task unit augmented U.S. Naval Forces during Operation UPHOLD DEMOCRACY.

He is a 1975 graduate of the United States Coast Guard Academy. Additionally, he holds a Master of Arts in National Security and Strategic Studies from the United States Naval War College and a Master of Science in Management from Salve Regina College.

Admiral Papp is the 13th Gold Ancient Mariner of the Coast Guard. The Gold Ancient Mariner is an honorary position held by an officer with over ten years of cumulative sea duty who has held the qualification as a Cutterman longer than any other officer.

Admiral Papp is a native of Norwich, Conn. He is married to the former Linda Kapral of East Lyme, Conn. Admiral and Mrs. Papp have three daughters, and one granddaughter.

FLEET MIX STUDY

Mr. ADERHOLT. Thank you, Admiral. You have been very frank about the reality of competing mission priorities in a world of increasingly limited resources. Yet as I noted in my opening remarks, your budget continues to support the mission needs assessment that was done back in 2004. My understanding is the Coast Guard has been working for years on an update as to that 2004 study known as the Fleet Mix Study, but has yet to submit it to Congress.

Where is the Fleet Mix Study and when will it be submitted to Congress?

Admiral PAPP. Well, sir, there is nobody that feels more strongly about getting the right tools out there to our people than I do. Over the last 6 years, 4 of those years have been spent on operational command assignments first in the Great Lakes and then responsibility for the entire Atlantic area and managing those very hard to maintain ships and watching the very hard working crews that struggle to maintain those old ships and keep them on station performing missions. So I am absolutely desperate to get the new ships out there.

We continue to study this, we have conducted study after study, which seems to confirm the direction which we are going in, and we need to be about the business of building ships.

The fleet mix analysis that you asked for is in review. We have completed the first portion of it, and it is with GAO [Government Accountability Office] right now. I can tell you that it does support the baseline approach that we are taking in terms of recapitalizing our fleet and indicates that the ships that we have already embarked upon building will perform better than those that are out there, but we understand that intuitively already.

What we are in the process of right now is doing the second and third levels of that study, which impose cost constraints, and then also look at unconstrained environments and what the Coast Guard would need to fully perform our mission.

Mr. ADERHOLT. When do you think that you will be able to submit a study to us here at the Congress?

Admiral PAPP. As I said, sir, we have submitted it to GAO right now. It is continuing to be reviewed by the administration, and I am pushing as hard as I can to get it to you as soon as we can because it supports our needs.

Mr. ADERHOLT. So right now you are pretty much at their mercy at waiting to hear back from them?

Admiral PAPP. I am working with the Secretary and the administration to get it to you as quickly as we can, sir, and I will redouble those efforts.

SECURITY-RELATED MISSIONS: CUTBACKS

Mr. ADERHOLT. What security-related missions are you examining for either elimination or contraction?

Admiral PAPP. Sir, I think some people who have listened to my speeches have mischaracterized what I am talking about. We have no intent to cut back on any of our security responsibilities, and I

firmly believe in the need to do most of the things that we are doing out there.

When I talk about cutting back on some of our activities, what I am talking about is looking at the full range of activities that we have asked some of our units to do. And if I could focus in just one area. We have Maritime Safety and Security Teams. They are roughly about 80 people who are tasked with providing fast response. We refer to them as sea-going SWAT teams. They are located, as you know, around the country, and they drive boats tactically. They have to be well-trained and proficient in small arms use. And the original intent was to have them provide fixed and moving security zones around events of national significance and provide extra capacity in ports when security warrants it.

Because of our general can-do attitude in the Coast Guard, we have looked for other things for them to do as well. And what we have done is we have added additional activities that they have to become qualified to do, in some cases, things that people haven't even asked us to do, but because we are imaginative, enthusiastic, dedicated and hard working, we try to train those people up to do those activities.

What I want to do now is look at the broad range of activities that we have asked these units to do, and then determine exactly what are the most important activities we ought to do that get the most bang for the buck for security in our ports, and then train these units to become absolutely proficient in those activities. It may require us to drop a couple of things.

For instance, one of the things we are doing right now is training those Maritime Safety and Security Teams to do opposed boardings, which is another level of expertise—for these people to be able to go on ships where you have armed people and, perhaps, opposing them as they try to board. I don't believe these teams were ever intended for that specific purpose, but if that is needed, then we need to provide the proper resources, the proper training programs. And, in fact, the one Coast Guardsman who was lost that, Mr. Price mentioned, was involved in a training exercise for that specific competency. And we are giving not only that case a thorough review, but I have also taken one of my admirals, Admiral Paul Zukunft, and he is in charge of undertaking a stem-to-stern review, which is looking at all of our deployable specialized forces and making a determination on what are the most important things for them to be doing and then making sure they are doing it absolutely right and in a safe and effective manner.

ACQUISITION PROGRAM

Mr. ADERHOLT. The fiscal year 2012 budget notably proposes a new budget structure to reflect the acquisition reform efforts the Coast Guard has undertaken over the past few years post Deepwater. However, this new budget structure does not help Congress understand the scope, schedule, and cost of the Coast Guard's recapitalization since acquisitions are no longer framed under one umbrella.

What is the impact of the dissolution of Deepwater on the planned recapitalization efforts in terms of acquisitions and their associated costs?

Admiral PAPP. Mr. Chairman, I think it should actually assist the Subcommittee in having greater granularity on how we are conducting this project. I am extremely proud of the improvements and the progress that our acquisition program has made. I was involved with then Rear Admiral Currier, who is now our Chief of Staff of the Coast Guard, 4 years ago when I was Chief of Staff of the Coast Guard, working with Admiral Allen, to reform our acquisition programs, and we have come a long way.

Parts of that is disassociating ourselves with a lead systems integrator in the Deepwater project where all of these things were lumped together and it was very difficult to disaggregate and identify exact costs for each one of the projects that was contained within. In other words, you did not know necessarily exactly how much one of the national security cutters was costing as opposed to a fast response cutter or a patrol boat replacement or some of the aircraft in there. Proper acquisition execution requires that you disaggregate all of these projects, establish acquisition project baselines for each one of them, set schedules, come up with predictable funding streams, and then execute on a stable program.

The National Security Cutter, I think, is the one that I am most proud of, and we have worked very hard over the last couple of years to come up with now a fixed price contract, handling that separately with the Coast Guard dealing directly with Northrop Grumman to build the ships. We have come up with a fair price for that ship now. It is a little more expensive than we thought under the original project, but we can confirm and we can validate what these costs are because we are looking at them independently. Each one of our projects in the former Deepwater project can be looked at in that manner now, and it will enable me to better inform you in your oversight role as we go forward over the next couple of years.

Mr. ADERHOLT. Under this new organization, how will you manage and measure the Coast Guard's progress of recapitalization?

Admiral PAPP. Well, we have acquisition project baselines where we have predicted individual projects, whether it is the national security cutter or the fast response cutter or our aircraft, and what years we intend to buy them. Of course, that gets revised almost every year depending upon the limits of the acquisition funding within our budget.

This year you made note of the fact that there was a delay in awarding National Security Cutter No. 5. We were backed into that situation because, as we took the time to properly negotiate a fixed price contract before we awarded National Security Cutter No. 4, we were dealing with presumptions upon what we would need in the outyear budgets in order to pay for the next in that series of ships. They came in a little bit more than what we expected and now we are having to, in the fiscal year 2012 budget, for instance, ask for \$77 million more to complete NSC [National Security Cutter] No. 5 before we can award it. And because of that, and the requirement, as you noted, to put the full price of any subsequent ships in a single-year budget, we decided to alter some of the other baseline acquisitions in that project: the fast response cutter, our patrol boat replacement, for instance. We can move some of those

into fiscal year 2012 and perhaps buy out that program a little more quickly to make room in our budget in the outyears.

Mr. ADERHOLT. Okay. All right. I think my time has elapsed. Mr. Price.

COAST GUARD MISSIONS

Mr. PRICE. Thank you, Mr. Chairman. Admiral, let me pick up on the line of questioning the Chairman was originally pursuing. We all have referenced your State of the Coast Guard Address, a good address which received more than the usual attention. You have issued a caveat here today that you are not interested in unilaterally or summarily redefining the Coast Guard's mission. We understand that. But at the same time I think that address, many of those points, were well taken. And certainly the overall assertion that the mission needs to be defined very clearly and perhaps in key aspects reconsidered, it seems to me those were serious points that deserve to be followed up on.

You have historical responsibilities, search and rescue, fisheries enforcement, drug interdiction, marine environmental protection. You have some post-September 11th missions, or at least that is mainly when they have come to the fore, maritime and port security operations, inspecting high-interest vessels, providing escorts for certainly military vessels. And at the same time you have some responsibilities that are changing before our eyes and that continue to be underdeveloped, particularly in light of these changes. The one that most obviously comes to mind is your role in the Arctic as the ice recedes. This Subcommittee reviewed Arctic operations in Alaska last year, and Admiral Colvin spoke very passionately and persuasively about this changing and challenging mission.

So I want to ask you three interrelated questions. First, can you be more specific? You have offered one illustration here today, you might offer a little more elaboration about what you were referring to in your speech. What do you believe the core missions are? What is dispensable? What areas do you think the Coast Guard should not be asked to work in? And honestly, are there gray areas? Are there areas that really deserve further deliberation and debate? They are going to need to be performed possibly by someone somewhere in our military or Federal establishment and yet there is some uncertainty about where the responsibility should lie.

Secondly, specifically, about these post-9/11 responsibilities, what is your assessment of the Coast Guard's capability and your assessment of what the mission going forward should look like there? And if there is to be a lessening or shifting of responsibility, who, if anyone, should pick it up?

And then finally, to what extent is this hard look that you are talking about reflected in your 2012 budget request? To what extent have you been able to already act on some of your convictions here, and to what extent is this a work in progress?

Admiral PAPP. Well, sir, in terms of balancing the missions, and one of the questions I always get particularly as a result of some of the times I speak and the State of the Coast Guard speeches ("What missions are you going to cut?") I cannot cut any missions. All of our 11 mission areas are statutorily mandated missions that we perform.

And as I stated in the State of the Coast Guard speech, we have a requirement to perform those. But we can't perform all 11 statutory missions 100 percent any given day. The Administration, the Congress, and the taxpayers through the Congress, give us a finite set of resources to use and then our operational commanders have to apply them. And that is what I have been doing most of my career as an operator, and in particular the last 2 years before coming here as the Atlantic area commander. I was given only so many ships, so many people and so many aircraft to carry out the mission. And, on any given day—some of the persistent missions out there, as you know: search and rescue, migrant interdiction, marine environmental response, drug interdiction—you cannot do all of those things every day. As an operational commander, you use your staff, you develop priorities, you see where the risks and the threats are from based on intelligence, and then you assign those resources.

The Haitian earthquake is just a perfect example of what I am talking about. We had cutters that were under way in the Caribbean, in the Florida straits, and in the Windward Pass either doing migrant interdiction, drug interdiction, or other duties down there, and those were the priorities for that given day, the day before the earthquake. When the earthquake occurred in Haiti, there was a national need for us to provide humanitarian response to those unfortunate people in Haiti.

So literally overnight we took our finite number of cutters, cutters that were deployed on other missions, and repositioned them to Haiti. And, in fact, the next morning, the morning after the earthquake, we had two Coast Guard cutters steam in there, immediately start doing reconnaissance by surveying the damage and sending medical teams ashore. It demonstrates the great versatility, adaptability, and flexibility that comes with a Coast Guard resource. We can move it from one mission to another.

But taking cognizance of the fact that when I did that—when I directed those ships to go to Haiti, I was going to take a short-term deficit in drug interdiction and in migrant interdiction and some of the other duties that we do. But it was a national priority. We responded to it. We do not have Haitian earthquake cutters sitting out there. What we have is multi-mission cutters, ships and people that can respond to events like that.

So that is the type of decisions that our operational commanders are confronted with on a daily basis out there. Would we like to have the resources to do 100 percent in every mission area? Of course we would. But we are also citizens of the country and understand that we need to tighten our belts and understand that resources are constrained, and so we do the best we can and then identify the shortfalls in terms of mission accomplishment and do our best to get the support. And right now, as I said, the support is to try to replace some of those old ships and versatile aircraft that we have got out there.

You asked about post-9/11. I gave you the example of the Maritime Safety and Security Teams. Perhaps one of the ones that I am even more passionate about is our aviation program within the Coast Guard. And I am passionate about that because, as you note, we have lost 14 aviators in 2 years. That is unacceptable. I have

had to attend and speak at two memorial services just in the time that I have been Commandant. And I don't want to speak at any more memorial services in my service.

We have essentially the same numbers of aircraft—let's say helicopters—we have the same numbers of helicopters and pilots that we did prior to 9/11. Yet we have added on additional missions. Prior to 9/11, almost all that our helicopters and pilots did was search and rescue. They trained very hard to go out in the middle of the night in the middle of storms and hover over broken-down ships and put swimmers in the water and rescue people from certain catastrophe and death. And we have the best pilots in the world doing that.

But since 9/11, we have picked up additional responsibilities. We now do rotary wing air intercept (RWAI), which is a mission to intercept low slow aircraft that might have intent of doing a suicide mission on the Capitol or on the White House. We have airborne use of force, where we train our people to carry marksmen on the sides of helicopters and potentially shoot out outboard engines on small boats that might be coming to do us harm. We are doing vertical insertion, where we are taking assault Coast Guardsmen trained for assault who lower themselves out of helicopters on rope onto noncompliant vessels.

All of these things place an added training burden upon our people, and they are not necessarily complementary skills for our pilots for the search and rescue mission. So right now, where we used to devote about 40 percent of our flight hours for training for search and rescue, we are devoting 60 percent of our flight hours for training for various missions that might not necessarily complement each other and, in my simple sailor's estimation, dilutes the experience and proficiency level across those mission sets.

No one asked us to do all those things. We took that on ourselves in many cases, and I think it is incumbent upon me as a leader who has lost people now to take a very serious look at all those things that we are doing and say perhaps we don't need to be doing all of that. Perhaps there are other agencies that might do it better. Or if the Coast Guard is the best to do it and there is a need to do it, then I need to go forth to the Congress and the administration and say I need additional resources to do it. So that is where I am coming from on that aspect of post-9/11 duties.

And then the hard look at, yes, the third question was the hard look at those missions and our security. I am convinced that we are doing our best to provide for the security of our country. On any given day if we are alerted to a threat through intelligence, which is where we get most of our stuff, we will redivert every force we have and put it on security operations, neglecting and taking the short-term downturn in other activities because that is what we do. We are a versatile, adaptable force that can move between those mission areas. And my operational commanders, we push that down as low as we can in the organization to make those decisions, to make sure that we are doing the highest priority mission on any given day for our country.

Mr. PRICE. Let me simply commend you for your candor and for your willingness to take on these significant issues frontally. I hope and believe you will find on this Subcommittee, on a bipartisan

basis, ready partners in going through this necessary exercise and putting our, not just our budget, but our national security on a firmer foundation in the future.

Thank you, sir.

Mr. ADERHOLT. Mr. Frelinghuysen.

OVERSEAS ACTIVITIES

Mr. FRELINGHUYSEN. Thank you, Mr. Chairman. Admiral, one of your strongest advocates is my colleague from New Jersey, Frank LoBiondo, who, if you will pardon the expression, has felt that the Coast Guard gets the short end of the stick. And I have to say, with the things that you are doing today around the world. I worry that you are shunted off under the aegis of the Department of Homeland Security. I see you in another venue. I serve on the Defense Appropriations Committee, and I would like to have you explore with the committee your involvement with the Navy.

You get funding through the Navy's operations and maintenance accounts for what some call the "supplemental overseas contingency operations," AKA, it used to be called the war on terror. Can you talk about how those dollars are spent and how you work with the Navy?

Admiral PAPP. Yes, sir, thank you. I for one, just because you brought it up, I am a strong believer that we belong in the Department of Homeland Security. Not every one of our mission sets fits neatly or exactly and precisely, but nor did it in the Department of Transportation either. There is always some portion of our mission sets that is not an exact fit, but right now we are fit in with a bunch of other agencies that have—

Mr. FRELINGHUYSEN. Are you ever?

Admiral PAPP. Yes, sir. But let me tell you why. And people from time to time make the suggestion that perhaps we should be in the Department of Defense. I think that we would be so small in the Department of Defense that oftentimes we would get overlooked there as well. And I think there is a value to having an armed service that is not in the Department of Defense because we do have those law enforcement authorities that none of the other four services have.

And having said that, as I described to Secretary Napolitano when I interviewed with her originally—

Mr. FRELINGHUYSEN. With all due respect, I want to focus on your connection. I think it is good for you to advocate to be where you are. But I would like to know how you connect with the Navy. I think a lot of people are unaware of what your people are doing on the high seas. They may be aware of what you are doing in the Caribbean and intercepting drugs that are coming out of Colombia and other countries, but you are playing an integral role in the overseas theater. And I would like to know how you are sort of matching your assets, which are limited, in terms of surface vessels, but what are you doing over there that you could tell the committee that shows that we have a good substantial investment?

Admiral PAPP. Well, Sir, to give you the down-in-the-weeds activities that we are actually involved in, as I mentioned during my opening comments, we have a patrol boat squadron over there. They [the patrol boats] have been over there nearly 8 years now,

six of our island class patrol boats commanded by lieutenants, and they are providing security operations for the oil platforms off the coast of Iraq and also doing engagement with the other emerging coast guards and navies within the Arabian Gulf, working under the Navy component commander and Central Command located in Bahrain.

Mr. FRELINGHUYSEN. Does the Coast Guard have a role in training some of those foreign navies?

Admiral PAPP. Absolutely.

Mr. FRELINGHUYSEN. To take on some of these obligations—and honestly maybe this is a mischaracterization—some of those navies wouldn't be exactly what we would call the U.S. Navy. They would be, in terms of their size and capabilities, somewhat parallel to yours.

Admiral PAPP. I can guarantee you, sir, that as I travel—

Mr. FRELINGHUYSEN. You are superior, of course.

Admiral PAPP. Yes, sir, absolutely. Almost every navy in the world—there is no other navy except for perhaps China, who is trying to build a large ocean-going navy, that is a peer competitor of our United States Navy. So most of the navies and coast guards around the world are actually more like the U.S. Coast Guard. They are concerned about piracy, drug smuggling, migrant smuggling, fisheries protection, and consequently we are in high demand around the world. In fact, we just got an inquiry this morning from the Indian Coast Guard that would like to open up some exchange with us because they have patterned themselves after us, and I have attended numerous international forums where I have spoken with the CNOs or heads of Coast Guards of other countries.

Mr. FRELINGHUYSEN. You are involved in joint exercises? Are you involved in providing some lead in terms of training?

Admiral PAPP. Yes, sir, we have operations that we do in the Pacific where we deploy right now. Given the numbers of cutters that we still have, we are able to devote one ship per year to the European Command and Africa Command to do training with navies. In fact, we have been involved in the Africa Partnership Station, training the emerging navies of some of the smaller countries in Africa.

We generally deploy one cutter out to the western Pacific to work with, for the United States Navy, but to train some of the smaller coast guards and navies and others. And we exchange with China, Japan, Russia, South Korea. We also have forums that we work in, the North Pacific Coast Guard Forum, for example.

Mr. FRELINGHUYSEN. I am for those exchanges. I hope you are not doing any training of the Chinese. They are progressing without any support from us.

Admiral PAPP. Yes, sir.

Mr. FRELINGHUYSEN. Thank you, Mr. Chairman.

Mr. ADERHOLT. Mrs. Lowey.

Mrs. LOWEY. Thank you, and I join my colleagues in thanking you for your service to our country, and congratulations to you.

Admiral PAPP. Thank you, Ma'am.

SMALL VESSEL THREATS

Mrs. LOWEY. Pleasure to meet you today. You referenced small boats before, and in previous testimony before the subcommittee, Admiral Allen has stated that the top maritime threat we face was from small boats. [And in 2009, the Inspector General found that the Nation's ports, waterways and—I am coughing and you are drinking water. That is a change.]

In 2009, the Inspector General found that the Nation's ports, waterways, and maritime borders remain vulnerable to small vessel threats.

Given that, when terrorists attacked Mumbai, they did so using relatively small speedboats. If you could share with us the Coast Guard's actions, activities to prevent similar entry from occurring in the United States, particularly in New York City, and what specific actions has the Coast Guard taken in light of that Inspector General report and what more can this subcommittee do to help?

Admiral PAPP. Well, Ma'am, I caution to make too many connections with the Mumbai attack. I have studied that in detail. They [terrorists] used the conveyance of boats, but that was driven to a certain extent because of the people coming from Pakistan to India and the inability or the more difficult problems they would have in terms of transiting a land border there. It is interesting to study, and certainly something we need to be concerned about, but the type of attack that was carried out could be done in numerous ways; it just happened to be landed by sea in this particular case.

Mrs. LOWEY. However, didn't the Inspector General make a statement, I believe it was 2009, that our ports, waterways, maritime borders remain vulnerable to small vessel threats? I am glad that after study that you don't think that is the case.

Admiral PAPP. No, I didn't say that wasn't the case. I said in the Mumbai attack that we can't draw a direct conclusion that that type of attack would occur only by small boat. It could, and I agree with the Inspector General's report that in fact our waterways are vulnerable. One of the challenges that we have is with the roughly 14 million registered recreational boaters out there. It is very difficult to monitor all these things.

So we do it to a large extent on the basis of intelligence, watching trends and analyzing and following up on any leads that we have. One of the best things we can do is simply presence on the water. In that regard, we have, besides the Maritime Safety and Security Teams, which are there for surge efforts—Many of our stations, particularly in New York City, have grown over the last 10 years since 9/11. We have gone from about 45 people at Station New York to 90 people right now and increased commensurately the number of boats there as well for our Coast Guard people.

But also knowing that we can't do it all on our own, our Sector New York Commander works through the Area Maritime Security Committee, which brings in the city officials, Ray Kelly's folks, the New York City police, their maritime units, county officials and industry as well, to make sure that everybody is aware, everybody is looking, they share information, and they follow up on leads and inform each other.

Then we also have our Coast Guard Auxiliary that is out there on a regular basis raising awareness in the ports, speaking to recreational boaters out there and encouraging them to report things that look out of the ordinary. So we are working on many prongs out there to try to increase security. A lot of it is just having presence, knowing the area, knowing the people who should be there and who looks strange.

In fact, in the Mumbai attack, there was an Indian Coast Guard boat that went through the area, and in the interviews afterward, they had questions in their mind but did not follow up on those and do a boarding and investigate, which might have thwarted the attack. So having people presence on the water, people who understand the operation area, who are familiar with it, and know who is supposed to be there or not takes us a long way toward providing that security and awareness.

SECURITY OF FRIENDLY PORTS

Mrs. LOWEY. Thank you very much.

As events continue to unravel throughout the Middle East, there is potential for a serious disruption of our efforts in the region. Has any of the unrest to date affected or modified your mission in the Persian Gulf? And what would the impact for your personnel be if friendly ports such as in Bahrain were suddenly with little warning unavailable to Coast Guard vessels?

Admiral PAPP. Well, we work for the Navy in Bahrain, and I know having been over there twice myself, as the Atlantic Area Commander—I went to Bahrain and Kuwait and Iraq twice and spoke with the Navy commanders up there—we have contingency plans on where boats could go to. Bahrain is actually fairly secure even though there has been some noise there recently. We have monitored the situation. We were concerned about the security. There were a few riots, but that all seems to be under control. Force protection efforts were put in place, and we are confident that our people are taken care of.

We do also have Kuwait, where we can move our boats to. In fact, our boats oftentimes, because Kuwait is on the way to the Iraqi terminals, pull in there for logistics and supply. We also have a port security unit in Kuwait, a team of about 110 people that provide security for the military onloads and offloads that occur in the Port of Ash Shuaybah. So I am confident that my Atlantic Area Commander, Vice Admiral Parker, he has been over there recently as well—We are confident with the security considerations and precautions that have been taken, and I think we are in good shape for now.

RAILROAD BRIDGE PROJECT

Mrs. LOWEY. Thank you. Thank you, Mr. Chairman.

Mr. ADERHOLT. Mr. Latham.

Mr. LATHAM. Thank you, Mr. Chairman. I just have a question that is of great importance in the Midwest, in Iowa. Your St. Louis District is overseeing a railroad bridge project in Clinton, Iowa, and I would like to know what you can provide me with regard to the way in which they intend to balance the needs of water navigation and rail transportation.

More specifically, I am told that the Union Pacific Railroad has a plan to build the bridge structure with its own private resources, and they factored in a 300-foot span, maybe a little more than that, with the doubling of the current clearance. I am also told that the Coast Guard may want the bridge span lengthened to as much as 450 feet. My concern is that from the UP's standpoint the requirements could get to the point where they may just wait until the Federal Government pays for it rather than the private sector.

If you could tell me about your evaluation process—and you may have to do this for the record, I understand—and what Coast Guard will go through to ensure that the new bridge requirements don't unnecessarily tip the expenses to the point where the private investment would withdraw. Since the proposed project right now is fully funded with private sector money, it will generate a lot of jobs right in that area; I would just like to know how quickly you can get approval, and maybe accelerate the approval process for the project.

Admiral PAPP. Thanks, Mr. Latham, and I am sorry I don't have the level of detail and granularity that you might expect of me, and we will provide that for the record. But in a general response, I think that one of the many strengths of the Coast Guard is the fact that we act as an honest broker between the needs of the mariner and the needs of commerce, and we try to balance those things. Sometimes it is difficult, sometimes you are not going to please both parties. We do the best we can. Ultimately we are concerned about the safety of navigation on the waterway, but we fully comprehend and understand that commerce has to flow through there as well and those are oftentimes understandably competing priorities.

[The information follows:]

Mr. Latham: Your St. Louis District is overseeing a railroad bridge project in Clinton, Iowa, and I would like to know what you can provide me with the way in which they intend to balance the needs of the water navigation and the rail transportation.

And if you could tell me what kind of evaluation process—and you may have to do this for the record, I understand—Coast Guard will go through to ensure that the new bridge requirements don't unnecessarily tip the expenses to the point where the private investment would withdraw.

ADM Papp: Thanks, Mr. Latham, and I am sorry I don't have the level of detail and granularity that you might expect of me and we will provide for the record.

Union Pacific Railroad (UPRR) and the Coast Guard are working together on this project to improve land and maritime safety. We are very early in the Coast Guard bridge permit process and UPRR has expressed its satisfaction with the process thus far.

On March 8, 2011, the Coast Guard's District 8 and the UPRR met to discuss the permit application process, navigational clearances, and the NEPA process. To further assist the Coast Guard in determining the reasonable navigational clearance requirements for the proposed Clinton Bridge, the Coast Guard is scheduled to meet with industry and the Army Corps of Engineers late March 2011, to discuss new pier locations, river currents, vessel operations, and any other industry concerns. To date, the Coast Guard has not finalized bridge navigational clearance requirements, nor has it provided UPRR with any definitive clearance requirements. It is expected that the original Order to Alter's (OTA's) minimum 300 foot horizontal clearance may no longer be sufficient for the following reasons:

- The proposed new bridge is located 300 to 400 feet downriver from the existing bridge, which changes how vessels would transit the bridge due to the close proximity of a bend in the river.
- The proposed new alignment also locates the bridge closer to the Archer Daniels Midland Company's terminal and fleet, which may result in more frequent vessel traffic in close proximity of the bridge, specifically the left descending pier, thus increasing risk of allisions.
- The OTA only considered replacing the existing navigation span with a wider movable span, not a high level fixed bridge.
- A fixed bridge poses a higher safety risk than a movable bridge, since land based traffic continues to travel on the bridge as vessels transit it. No land based traffic is on a movable bridge when it is open to navigation.
- The public meeting held in association with the 1990s T-H investigation only presented a proposed new vertical lift span on the existing alignment; public comment was not solicited for the current proposal.

BACKGROUND:

The Truman-Hobbs (T-H) Act (54 Stat. 497; 33 U.S.C. § 511, et seq.) gives the Coast Guard the authority, after due process, to determine that the alteration of a highway or railroad bridge is

necessary in order to render navigation reasonably free, easy, and unobstructed, and to serve upon that bridge's owner an order requiring its alteration.

In accordance with the T-H Act, the Federal government reimburses the bridge owner costs incurred to alter the bridge; however, the owner bears all costs attributable to the direct and special benefits accrued as a result of the alteration; for example, costs attributable to additional requirements of land based traffic such as an increase in the bridge's carrying capacity. In addition, the T-H Act requires that the Federal government authorize the bridge owner to proceed with the project; approve plans and specifications; prescribe when the owner may take bids for construction; and authorize awarding the project (33 USC 515). Typically, without sufficient Federal funds, the Coast Guard does not authorize the start of an alteration project under T-H.

On October 28, 1996, the Commandant, Coast Guard, issued the Union Pacific Railroad an order to alter the Clinton Bridge over the Mississippi River. The existing 1908 swing span bridge, in the open position, provides navigation with a 177 foot horizontal and an unlimited vertical clearance. The bridge, on average, sustains four to five collisions annually, causing damage to both the bridge and vessel.

The Clinton Bridge's OTA specified altering the existing bridge by reconstructing the bridge on the same general alignment using a movable bridge that provides a minimum horizontal clearance of 300 feet. In 2010, the estimated total project cost, in accordance with OTA, ranged from \$61.2 million to \$79.2 million; the Federal government share was estimated at 96.4 percent. To-date, no Federal funds have been appropriated for the Clinton Bridge Alteration project; hence the Coast Guard has not authorized proceeding to the design phase.

Approximately a year ago, the Coast Guard was advised that the UPRR planned to proceed with the project without Federal funds, by using UPRR funds only. The UPRR proposed shifting the rail alignment slightly south of the existing alignment in Clinton, IA. The new alignment required reconstruction of approximately 7,000 feet of rail line including the existing 460 foot Clinton Bridge. In comparison, the T-H Clinton Bridge alteration project was estimated to require the reconstruction of approximately 500 feet of the existing Clinton Bridge. The UPRR's proposed realignment of the rail line in Clinton is estimated at \$350 million.

During discussions with the Coast Guard in 2010, the UPRR indicated that it planned to follow the T-H Act requirements so as to not jeopardize the project's eligibility for future Federal bridge alteration appropriations. However, the UPRR very recently decided to proceed outside of the requirements of the T-H Act, understanding that the project would no longer be eligible for Federal appropriations under the T-H Act. The UPRR also understands that a Coast Guard Bridge Permit application must be submitted for the proposed project (33 USC 525).

The Coast Guard Bridge Permit application process requires that applicants submit their proposed horizontal and vertical navigational clearances, in addition to an environmental document articulating the proposed project's impacts on navigation and the environment. Typically, applicants coordinate with the Coast Guard's District Office, prior to submitting an application, to ensure that a complete permit application is submitted, including compliance with

the expected Coast Guard navigational clearance requirements. UPRR has not yet submitted their application and is currently in the pre-application phase, which includes coordinating with the Coast Guard to determine what needs to be submitted, which includes a navigational bridge opening that meets the reasonable needs of navigation.

The Coast Guard Bridge Permit application process differs from the T-H Act process in that once the navigational clearance requirements are determined; the applicant has submitted a permit application; the NEPA process is completed; and all public involvement and Federal and public agencies coordination has taken place, a decision is made regarding granting a permit, no Coast Guard oversight or approval is required during final design and construction.

Mr. LATHAM. Okay. Well, it is obviously very, very important. And I just, you know, make sure that you keep your balance and that you are not just an ancient mariner, you are a gold ancient mariner.

Thank you. That is all I have.

Mr. ADERHOLT. Mr. Crenshaw.

INTERAGENCY COOPERATION

Mr. CRENSHAW. Thank you, Mr. Chairman. You talked a little bit about efficiency, being more effective, and that is kind of the buzz word around this place. Everybody doing more with less. And it is encouraging to hear that. One of the things that I know a little bit about in my district in northeast Florida, Jacksonville, there is a seaport, and the Coast Guard works with the border and customs folks. They call it JMAST. I don't know exactly what that stands for, but basically they are working together in a very efficient way. It seems like it ought to be a model of how two agencies under the same department can work together in an efficiency and effective way.

And I am told that the one thing they need, the next step so to speak, is to be collocated together. They are kind of spread out. They are still working together as best they can. But if they were collocated then it would be even more efficient.

And so I wanted to ask you if you are aware of that situation, what are you doing to assist them. I don't know, that was something I was going to ask the Secretary when she was here, I didn't have a chance, but somehow talking to her about how to coordinate this move and make it even more effective.

And then the second question is just that kind of interagency cooperation brings to mind other areas that maybe—I don't know if aviation, somewhere, that you might work together with border folks. So if you could talk a little bit about that. Number one, how is that going, that JMAST program? Is that moving ahead? Are they finding a place? And number two, talk about how that might be a model for other areas of cooperation.

Admiral PAPP. Well, sir, that falls in line with exactly what I have been talking about: first of all, identifying those things that the Coast Guard can do, must do, do them well, and then identify the shortfalls.

Sometimes resources for those shortfalls are not going to be found within the Coast Guard appropriation, and sometimes the citizens of this country have already paid for resources in other ways that perhaps we can leverage. One of my four principles when I became Commandant was strengthening our partnerships, and part of that is looking out across the broad expanse of the Federal Government and determining what other partners could we work with to fulfill our needs and vice versa.

The CBP [U.S. Customs and Border Protection] and border protection is one of those great partners that is within our own department. And in fact it is ironic that you asked the question because Commissioner Bersin and I had an hour and 10-minute breakfast yesterday comparing notes, seeing where we can work more closely. One of the things I have been tasked to do is come up with inter-agency operation centers (IOCs), which would bring various Fed-

eral agencies together, local and State agencies together, where we can share information in one operation center to create a seamless response leveraging all those various agencies to provide the security of our ports.

Jacksonville is one of the great examples of where we are doing that. The challenge, as you have identified, is where do you come up with the resources to consolidate and bring them and collocate themselves together.

We are facing a similar problem in the Coast Guard. We have restructured our shore commands, our legacy group offices and marine safety offices. The promise 7 years ago was that we were going to collocate them together for greater efficiencies. The challenge, of course, is coming up with the appropriations to build new buildings. And I think in the current environment, we are not going to see too many new buildings built. We will continue to identify those needs, but I think the tough part is bringing them all together.

Mr. CRENSHAW. Whose responsibility is that? Is that something that Secretary Napolitano has to kind of bless or is that GSA [General Services Administration]? If that is a better way to run the railroad and we will save money in the long run, is there something that we can help you do to say look, this is working. Let's move ahead. Because if everybody is spread out you are not going to have the efficiencies that it sounds like you understand that you could have when they are together.

Admiral PAPP. Absolutely. I would say yes to all. It has to be a shared responsibility, and one that is not being mentioned here is the U.S. Navy as well. What is the bulk of our security work down there in Jacksonville? It is the ships coming into the naval station at Mayport and the ships and submarines going into Kings Bay. I have been down there on the water and watched those escorts. It is a resource sink properly done of Coast Guard resources, both on the water and in the operations center, and I have been working with Admiral Roughead, and when I was Atlantic Area Commander with Admiral Harvey, who is Fleet Forces Command, to come up with a way to perhaps have the Navy provide a building where we can come together.

Mr. CRENSHAW. Has somebody talked to the Navy about that?

Admiral PAPP. I am, sir, and it continues. Everybody is facing the same challenges in terms of tightening the belt. But I think this is what we have to be doing in order to provide, first of all, the proper service to people and then also to pool our resources to be able to do it in a more effective manner. And as we identify those things, I am more than happy to bring them to the subcommittee and ask you for your help, sir, in pushing them forward.

Mr. CRENSHAW. Okay. Thank you very much. Thank you, Mr. Chairman.

Mr. ADERHOLT. Mr. Dent.

ARCTIC: POLAR ICEBREAKERS AND OTHER CAPABILITIES

Mr. DENT. Thank you, Mr. Chairman. Good afternoon, Commandant. First I wanted to thank you and the U.S. Coast Guard for all the great work you did at the Deepwater Horizon in the

Gulf. I visited there last August and I was very impressed by your efforts. It was extraordinary.

Do you think if there would be an oil spill in the Arctic do we have the infrastructure in place to respond quickly and effectively?

Admiral PAPP. No, sir.

Mr. DENT. That was—wow. So I guess the next question is, heaven forbid, if there were a cruise ship or some other ship in distress in danger up in the Arctic waters, could you carry out those types of lifesaving responsibilities?

Admiral PAPP. No, sir. But I will elaborate on this if you don't mind. I think most of our focus over the last few years has been on polar icebreakers, and we do need to have a thoughtful discussion on where we are going with polar icebreakers. But polar icebreakers is just a small part of the capabilities that we need in the Arctic to carry out not just Coast Guard missions but missions that are important to the United States as a whole. We are an Arctic nation, but it is tough to walk up to the average person on the street and convince them that we are. But we have a lot of needs up there.

I went up there in August and spent a little over a week traveling around Alaska. It had been 35 years since I had been up there. I did my first tour in the Coast Guard in Alaska, I spent time in the Arctic and the Bering Sea, and I wanted to go back there and reacquaint myself. And I went back almost 35 years to the day when I had stood on the shore in Kotzebue, Alaska, in July, and saw ice almost all the way up to the shores. I flew into Kotzebue this time, and even from the altitude in the jet I was in, I could not see ice. So there is a lot of open water, and open water means Coast Guard responsibilities, first of all, search and rescue, fisheries, other things that will migrate into that area as we go forward.

Right now I have got zero resources to conduct those missions up there. It is a zero sum game, and if I am needed to carry out Coast Guard missions up there, they have to come from some other place. So what we are doing right now is we are doing a high latitude study. I think that—that has been, in my estimation—In looking at it as it stands right now, its primary focus is on icebreakers. I think it should be on the broad expanse of Coast Guard duties that would be required in the Arctic and what do we need to conduct that.

A “for instance” is, right off the top of my head, going up there this summer, we need at a minimum a seasonal air station up there that we can fly helicopters out of and helicopters and crews to man them to be able to start to conduct our duties. As drilling begins up there offshore, of course, the Coast Guard will approve response plans for those facilities. But in terms of Coast Guard ability to respond, as I said in my first question, we have got none right now. We need to be about the business of doing that, because that business will come to the Alaskan waters, and it is my job to identify to all of you what we need to do that. And we are working very hard on that right now.

MARITIME SAFETY AND SECURITY TEAMS

Mr. DENT. Admiral, last year you requested the reduction, I think, of five maritime safety and security teams. And I understand that the Coast Guard is proceeding with the closure of the MSST up in Anchorage. I guess that leaves 11 other teams throughout the Nation.

What was the rationale for the closure of that team up in Anchorage? And is that going to impact the other MSSTs?

Admiral PAPP. Let me start off by saying how much I deeply appreciate—I saw the Senate mark and the House mark last year that restored those teams back to the budget. I know the budget hasn't been approved but the continuing resolution has allowed us to keep those teams going, and I am deeply appreciative of that. I need each and every one of our Coast Guard people to carry out the duties that we do.

Now on the Anchorage MSST, I support the decommissioning of that unit. The truth of the matter is, because of the conditions up in Alaska, they just aren't able to operate up there year-round and provide the type of return on investment that we would be looking for. They, most of the time, deploy outside of Alaska, and it is very expensive to deploy them when they go outside of Alaska. So we don't see an operational need for them up there. And if there is a time when we need security operations, we can deploy one of our other MSSTs up there.

What the proposal does besides decommissioning, it does allow us to retain some of those people from the MSST, and we are re-allocating them into law enforcement detachments, which we have a high demand signal for right now but a shortfall in terms of our ability to provide them. So it is a win-win solution for the Coast Guard in my estimation and perhaps a short-term loss in terms of numbers of Coast Guard people in Alaska. But I think we will be able to cover Alaska adequately, and it is going to provide me some resources for higher priority missions.

Mr. DENT. Thank you, Admiral. I yield back.

Mr. ADERHOLT. Judge Carter.

RIO GRANDE PRESENCE

Mr. CARTER. Thank you, Mr. Chairman. Admiral, welcome. Sorry I was late. I had another hearing to go to.

I am going to start off with a question I got last night on the phone from Texas. My Senator called me on behalf of the Governor and asked me to ask the Coast Guard to put ships on Falcon and Amistad Lake, put some kind of armed boat because it has now become the international highway of drug trafficking. Because of the killing on the lake we had up there a while back, people are off the lake. And every night it seems like there is just a parade of boats coming across the lakes and it has become, quite honestly, a major drug smuggling corridor.

Would it be possible for that? And would you have a type boat or ship that you could put on the lakes to patrol those lakes if we could find you the resources?

Admiral PAPP. Mr. Carter, I agree with you. And what we have done is we have actually done some pulse operations. We have

trailed boats up there and put them out, particularly after the unfortunate killing that occurred up there. We immediately surged Customs and Border Protection. The Border Patrol has put boats out there. None of us have the dedicated resources for Falcon Lake right now, but we can pull them from other places for the surge operations that we do. The return on investment has been very small when we have been up there because, as you know, once we put a presence up there, they will go into hiding. As soon as we leave, they will resume their activities. So perhaps some level of persistent presence is required on Falcon Lake.

We have to look at that in terms of balancing resources with the Border Patrol, us, and perhaps looking at State and locals as well. But I guarantee you that our Eighth District Commander, Rear Admiral Landry, has that on her radar scope front and center and we will do our best.

Mr. CARTER. My Governor would like actually a presence on the Rio Grande from its mouth as far up as you can get. I would recommend an air boat. In some places, it is a little shallow on the river. Because I have the highest respect for the Coast Guard and their ability to accomplish their mission, I think you would be a great resource on the southern border if we could do some planning to figure out a way to get you there. That is kind of an off-the-wall question. But when the Governor calls, you ask the question.

Admiral PAPP. Sir.

Mr. CARTER. You know, talking about Alaska, I happen to have had the great joy of going up and being with the Coast Guard for an extended length of time two summers ago, and I can personally testify that you are operating with some real antiques up there. Some of them might even be called museum pieces, but those Coast Guardsmen are out there doing their job every day on those things. And the President's budget proposes a 22 percent reduction in the Coast Guard's Deepwater program. It is my understanding this pushes back the completion of the eight National Security Cutters to 18. And does this also cut the in effect funding for the new Off-shore Patrol Cutter? If so, how much does this put cash back in the OP acquisition timeline? And more importantly, how many of these resources were scheduled for that really fierce environment that you have in Alaska? And you really are short of some pretty major equipment needs up there.

NATIONAL SECURITY CUTTERS

Admiral PAPP. Yes, sir. Absolutely. This was nowhere more evident than a trip I made just a couple of weeks ago out to San Francisco where at the same pier we had our new National Security Cutter, the BERTHOLF, and then two of our 40-plus-year-old High Endurance Cutters that were there. My heart aches for the Coast Guard people who are trying to keep those 40-year-old ships going. They are struggling working on engines that you can't even get spare parts for anymore. They are keeping systems working all because of their dedication and patriotism, and they are getting out there and they are going up into dangerous environments like the Bering Sea and conducting some very challenging missions up there for our country, protecting our fisheries, rescuing fishermen

and other activities. So the sooner we get the National Security Cutter out there, the better.

The second National Security Cutter, the *Waesche*, was deployed off San Francisco. I got up at first light one morning, flew out by helicopter and spent the entire day basically from sunrise to sunset seeing that ship being put through its paces. There are some people that would make the case that it is an extravagant ship that the Coast Guard doesn't need, and I will debate those people until the end of the day. It provides us with adequate improvements in terms of capabilities, sensors, and systems, allowing us to do our job better and in a safer manner and in a way that respects our young patriots who step forward to serve their country by putting them into something with a little bit more comfort to live in rather than the 30-person, dark, dank berthing areas that you find on the 40-year-old ships that were built when we used to draft people instead of looking for volunteers to patriotically step forward. So we need to get those ships built as soon as possible.

Now to the core of your question ("Why aren't we building them faster?"), I think if I will paraphrase, is we had problems with this acquisition project 4 years ago, and it has taken us a long time to straighten out our acquisition practices and come up with a predictable, fair, fixed price for the ship going forward. The delay in coming up with that fixed price set us behind, and I am now under a new constraint of full pricing in any given year for follow-on ships. So in other words, I have to get the long lead material costs, the production costs, and the post-production costs all in one budget, which takes up a rather significant chunk of a 1-year acquisition funding.

So when I looked at the balance across the next couple of years, [and saw that] we needed to come up with the funding to complete No. 5, which is in the 2012 budget, I could not fit the full price for National Security Cutter No. 6. Even though I would like to move forward on that, I could not fit it within our acquisition budget without starving out a lot of other very valuable projects, like our patrol boat replacement, our maritime patrol aircraft, our response boats that go out to the search and rescue stations.

So I am confronted with a lot of difficult choices and decisions. I made the best reasoned choices in terms of our acquisition projects for this given year based upon the rules that I have to operate under.

ARCTIC: RESPONSE TO INCIDENTS

Mr. CARTER. Well I, for one, would like to see this committee do everything they can. When I was up there, they pointed out that the famous Northwest Passage, which people spent a couple of hundred years looking for, is now open basically and that there are cruise ships that are actually advertising being the first to go through the Northwest Passage. And the Coast Guard explained to me that once they pass the top of Alaska and start around on the Canadian side there is basically nobody, neither the Canadians nor our Coast Guard, that have the ability to get to them with the resources they would need should they have a disaster strike on that cruise ship. Literally, our helicopters at a point can't get there be-

fore they run out of fuel. So we are in the Arctic, and we need to deal with the resources.

Admiral PAPP. Yes, sir. I met 2 weeks ago with Commissioner Grégoire, who is the Commissioner of the Canadian Coast Guard. We were discussing our mutual issues in the Arctic. Canada had a 600-passenger cruise ship and an oil tanker both run aground in separate incidents but very close in terms of timing last summer. Commissioner Grégoire and the Canadian Coast Guard were roundly criticized because they were only able to respond within a matter of days. I think in one case 2 weeks. In our case, we would not be able to respond, period.

Mr. CARTER. Thank you, Admiral.

UNMANNED AERIAL VEHICLES

Mr. ADERHOLT. Thank you, Admiral. What we are going to do is, I think we have votes that are coming up pretty soon. So we will do a quick second round of questioning.

Let me shift to the unmanned aerial systems, follow up on that. Your fiscal year 2012 budget request nor your 1-page 5-year capital investment plan includes the funding for a cutter-based Unmanned Aerial System, or UAS. Yet the Coast Guard has continually stated that the NSC will not be fully mission capable without the UAS.

Considering you have been testing cutter-based UAS for years with the Navy, why doesn't your budget include funding for the unmanned aerial systems?

Admiral PAPP. You are absolutely right that to get to full capability of the system, you do need a tactical ship-born unmanned system. But there are other components to the system as well. Maritime patrol aviation, which we are investing in; your small boats that you run out of the ship, which we are investing in; and manned helicopters, which we continue to invest in, are carried by those ships as well. So when you look at the entire system, the only thing that we are not asking funding for right now is the Unmanned Aerial Vehicle [UAV]. And that is primarily because it is a cost avoidance for us right now. There is just so much we can fit into the budget. And when I look across the government, the Navy is experimenting primarily right now with Fire Scout as a UAV. And I think it is a prudent measure for us to watch the progress that the Navy makes when they make a determination on the system that they are going to use. Then we will have identified one that is interoperable with us, one that the Navy has invested in that we didn't have to invest in, and I think for the Coast Guard that is a good route for us to take and a proper route for someone who is enforcing fiscal stewardship as well for our service.

Mr. ADERHOLT. So, right now this is basically just a cost avoidance issue. So you don't have a certain timeline?

Admiral PAPP. And because the Navy, in their experimentation, has not finalized and has not firmly decided that Fire Scout is the system that they are going to go with. So I think it is prudent for us to leverage off the Navy's expertise in this, watch where they are going. And there are all kinds of things that will save us costs because the Navy will set up training systems for this. The Navy will have logistics and supply lines set up for whatever they choose.

And the Coast Guard will avoid all those costs and be able to take advantage of the Navy's work and save us a little bit of money.

Mr. ADERHOLT. What is the impact on the NSC's interdiction effectiveness without the Unmanned Aerial System?

Admiral PAPP. Sir, I am not sure I can fully quantify that because there is so much that goes into interdiction of drugs, ranging all the way down to basic on-the-ground intelligence. So you have to look at the entire picture. We have invested heavily in our intelligence programs. We are working on bilateral and multilateral relationships with the South and Central American countries. We are leveraging Department of Defense assets that go out and gather signals intelligence and human intelligence. And then we still have our maritime patrol aircraft. We put helicopters that deploy on our ships.

So if you are looking at the aggregate of all those systems, I would say, maybe without a UAV, we are only performing at 90 percent. I am reluctant to say an exact number on that. What I will say is we are not performing at 100 percent. Would I like to get a UAV? Of course I would. It makes us all that much better. But I think where we are making our investments is the wise area to go right now. And then, as I said, we will leverage off the Navy and see what they come up with.

DRUG INTERDICTION

Mr. ADERHOLT. As the Mexican drug war rages on I don't have to tell you that the Coast Guard's effort to interdict drugs being smuggled from the source and transit zones is absolutely vital to our security. To use a football analogy, I see the Border Patrol as defending the goal line and the Coast Guard and other agency playing offense deep in enemy territory. However, it appears that some aspects of your fiscal year 2012 budget will actually diminish your current drug interdiction capabilities. Your fiscal year 2012 budget proposes to both decommission another High Endurance Cutter and extension of the delivery schedule of the replacement NSCs. Won't the combination of these decisions decrease the Coast Guard's drug interdiction capabilities in fiscal year 2012 and for the next few years?

Admiral PAPP. Sir, I would say it could decrease. What I am going to do is work very hard to make sure that it doesn't decrease. Once again, going back to what I talked about, my experiences as the Atlantic Area Commander, those decisions are being made on a day-to-day basis, and we will continue to give a high priority to drug interdiction. And right now, as projected, we are going to meet all the demand signals that JIATF [Joint Interagency Task Force] South is asking for in terms of Coast Guard ships and aircraft to provide patrol capabilities down there.

We will also continue to leverage the Navy to the extent that we can, to get Navy ships down there with Coast Guard law enforcement detachments. And I don't look at this just from my role as Commandant of the Coast Guard. One of my other collateral duties is I am the Chairman of The Interdiction Committee [TIC]. I report directly to the Chairman of the Office of National Drug Control Policy. I bring the interagency together to work on these issues. And in fact we had our recent TIC meeting where we brought in

General Fraser from SOUTHCOM. We are looking at various means of making sure that we keep our assets up down there and continue to work with the Central American countries in terms of bilateral agreements and working with their coast guards and navies. I have made a trip down to Mexico City to talk to Admiral Saynez of the Mexican Navy to continue our cooperation there.

But you are absolutely right, the Coast Guard and our partner agencies need to interdict those large 5- and 6-ton loads as they leave Colombia and go up the coast of Central America so they don't reach Mexico and then get broken down into those small loads that the trafficking organizations are fighting over and bringing across our southern border. So to the extent that we can pull out the large loads, it helps our Border Patrol colleagues in fighting the more intense war that is going on on the land border.

HIGH ENDURANCE CUTTERS

Mr. ADERHOLT. Just briefly before I go to Mr. Price, what is the current status of the Coast Guard's High Endurance Cutter Fleet?

Admiral PAPP. I was going to use a sailor's term there. But I will just say it is poor, sir. In fact, probably if I got to the second and third order responses of the question that you gave, the fact of the matter that we are decommissioning another one of them in this budget does not break my heart because right at this point, across the fleet of the 12 High Endurance Cutters we have got, we have got about a 75-percent availability, which means we are basically losing four ship-years just because of unplanned maintenance. So we are only getting about eight to nine ships worth of time on station out there as it is. So the quicker that we decommission these, devote our resources to getting the National Security Cutters, which will be more reliable out there—I need reliable ships on station.

We could keep the High Endurance Cutters going, but they are just unreliable at this point. I had one that I had to pull off station. They have four engines. They have two gas turbines and they have two diesel engines. One ship was down there on one engine left, trying to maintain station off the coast of Colombia, and two out of the three electrical generators were broken down. They had an emergency generator left. In order to launch the boat, they had to shut off the air conditioning and the refrigerators in the ship just so they could launch the boat. That is unacceptable. We have got to get those ships replaced soon.

Mr. ADERHOLT. Mr. Price.

ARCTIC: POLAR ICEBREAKERS, BUDGET FOR

Mr. PRICE. Thank you, Mr. Chairman. I want to turn, Admiral, to marine safety and environmental response. But, before I do, I want to quickly revisit the matter raised by a number of members today; that is our Arctic capability. I was listening carefully to what you said, and I appreciate fully your response to the effect that this is not just a matter of icebreaker capability, that the implications are much broader than that in terms of what kind of missions the Coast Guard might be required to perform. But I wanted to go one step further in terms of specificity with respect to this budget. I am glad, I think the Subcommittee is glad, to see

the transfer of that \$39 million and 180 FTEs from the National Science Foundation back into an entirely DHS-funded program. We have been encouraging that for a long time.

However, the budget appears to fund reduced icebreaking responsibilities. It assumes the decommissioning of the Polar Sea in 2011, leaving us with only two polar icebreakers in the future. The second large icebreaker that can be used in Antarctica, the Polar Star, is being refurbished and not expected to return to service until 2013. Even with the refurbishment, the Polar Star will only last for at most 10 more years. That means the future will have only one heavy icebreaker, the Polar Star, when it is back in service and the more limited Healy which can really only operate in the Arctic.

Now other countries have much larger icebreaking fleets, 25 for Russia, as I understand it, 18 for Canada. Ours is quite small. I am not sure that is the appropriate point of comparison though. But I do need some help in matching up the kind of minimal icebreaker capabilities that I think we are hearing you say you need with this budget request. And you may want to elaborate on this for the record. This is a very detailed question. And also elaborate to the extent you can on what the future minimal capabilities are likely to look like, assuming that the present projections are going forward.

Admiral PAPP. Yes, sir. Well, just as a point of reference—and I have studied this extensively. The United States put ships through the Northwest Passage back in 1957. They were three Coast Guard cutters, ice-strengthened vessels that circumnavigated the North American continent. They had been up there working off Alaska. People say, “Well, why did they go through the Northwest Passage?” It is because our country had a national imperative at the time. Each summer, the Navy formed up a squadron of icebreakers and Coast Guard cutters to resupply the DEW [Distant Early Warning] Line. We had a reason to be up there at that time. And Coast Guard cutters and the Navy—and at the time the Nation owned six polar icebreakers, four that had been transferred to the Coast Guard from the Navy and the Navy was still operating two. Ultimately, the remaining two were transferred to the Coast Guard. But they were all World War II vintage. And over time and because of Coast Guard budgets, we ended up decommissioning them until we were able to build the Polar Sea and the Polar Star in the early 1970s. Now the Polar Sea and the Polar Star are more than 30 years old and are either due for replacement or very, very significant renovation.

So I am pleased, happy, delighted that we are getting the money transferred back into the Coast Guard budget to take care of these ships because there is another aspect to this as well. We are losing our competencies. Because the National Science Foundation has not been transferring the funding to use Coast Guard icebreakers, we are starting to lose our expertise. We are running out of people that have been involved up in the Arctic doing icebreaking and in the Antarctic, and that is a perishable skill. Fortunately, we have still got a few people around that can do it.

But what I am confronted with is balancing the resources that we have. And with the \$39 million, it is not enough—and in fact we have been directed to decommission Polar Sea. Given the

amount of money that I have, I see that as a wise decision at this point even though there will be a gap before we can bring Polar Star back in service in 2013. But I cannot see pouring more money to repair Polar Sea right now to maybe get a couple of years out of that ship. I would rather divert the funds to the reactivation of Polar Star, which I know we can get at least 10 years and, between you and me, I think probably a couple of years beyond that, which will give us time to complete this high latitude study and confirm what the Nation needs.

Ultimately, the answer might be that the Nation wants to lease icebreakers. I don't know. If that decision is made, I will say, "Fine," and we don't have to train Coast Guard people for it anymore. I think the Coast Guard can do it better. But then again, I am a Coast Guardsman and that is sort of our attitude. So we will do the best we can with the resources that we have been given. And in my estimation, my best judgment, our best course of action, Healy is in good shape. We can keep her running, and we have got sufficient budget authority. We will take the crew and the operating funds from Polar Sea and make sure we do a good reactivation of Polar Star to give this Nation a sound heavy icebreaker for at least another decade or so while we are making those decisions on the way ahead.

Mr. PRICE. Thank you. We really are short on time now, so let me ask the question very quickly. I am referring back to your State of the Coast Guard speech. You noted that, "We need to ensure we have a sufficient number of inspectors, investigators, and prevention officers, and that they are keeping pace with the maritime industry." Now your budget request includes \$22.2 million to enhance maritime safety and environmental response activity. That includes \$192 new personnel, as I understand. Now this appears to be a well-based request. However, after action reports from the Deepwater Horizon spill are still ongoing. Can you specify again—and you might want to elaborate on this for the record—what concrete needs were identified after Deepwater Horizon? How do the 192 new personnel and the \$22.2 million increase address these gaps? And with after-action reports still being finalized, do you believe there are other areas of concern that could affect the Coast Guard operations and could shape future budget requests?

DEEPWATER HORIZON TAKEAWAYS

Admiral PAPP. Yes, sir. I think the biggest take-away for me from Deepwater Horizon was what I knew already, was that we lacked the capacity to put on a sustained response to a disaster like this. And if I can elaborate, if there is a hurricane, generally we ramp up for the hurricane. We deploy Coast Guard forces to respond to it.

A hurricane passes over and it is over in relatively short order, and we do the necessary repairs and then we can flow Coast Guard people back to their regular jobs. We sent 3,000 people down to the Gulf of Mexico for Deepwater Horizon. Those aren't 3,000 people that we held in garrison to sit around and wait for disasters to happen. These are people that have regular jobs in the Coast Guard. So there were many jobs that were not done during that 6- to 8-month period that we had all those people deployed. We got

set back on a number of initiatives that we would like to be working on because the Nation had a higher priority at the time, and we flowed Coast Guard forces down there.

So one of the take-aways—and in this budget what we are asking for is something called an Incident Management and Assist Team. And this is going to be 87 people. It is part of those 192 people that you are talking about. That will form the nucleus of a group that would deploy and do the initial setup. In other words, these will be our people in garrison. They will have jobs to do. But when there is a hurricane or an oil spill or some other natural disaster, these are the people who we will immediately deploy down there, put them in place to form the nucleus of those incident command posts that we set up in response to the disaster.

So this is something we desperately need. We may need more. And if we do, I will come back to you and let you know. But I think this is a good start in terms of responding to incidents. Out of that 192, the remaining 105 is part of a marine safety performance plan that we have already identified. We are into, I think, our fifth year of this. Because of the growth of the marine industry, the increase in regulations, and the acknowledged shortfalls we have had in our marine safety personnel, we have had a 5-year plan to restore us up to the point where we can adequately respond to the concerns of the marine industry. So 105 of those 92 go toward the continuation of the marine safety plan, and then 87 of those go to this incident management assist team that I talked about earlier.

Mr. PRICE. Thank you, Mr. Chairman. I know we are out of time. As to the future projected plans and the remaining after-action reports, I would appreciate your elaborating on that for the record.

Admiral PAPP. Yes, sir.

[The information follows:]

Mr. Price: Can you specify again—and you might want to elaborate on this for the record—what concrete needs were identified after Deepwater Horizon? How did the 192 new personnel, the \$22.2 million increase address these gaps? And with after-action reports still being finalized, do you believe there are other areas of concern that could affect the Coast Guard operations and could shape future budget requests?

As to the future projected plans and the remaining after-action reports, I would appreciate your elaborating on that for the record.

ADM Papp: Yes, sir.

RESPONSE: The National Incident Commander's (NIC) Report, the President's National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling's findings along with the other Deepwater Horizon reports significantly adds to a body of important perspectives and opinions that the Coast Guard will take onboard and carefully evaluate to identify further opportunities for positive, effective preparedness improvements. The Federal On-Scene Coordinator's (OSC) report and the Coast Guard/ Bureau of Ocean Energy Management, Regulation and Enforcement Joint Investigation Team Report are forthcoming.

These reports offer important recommendations on improving Coast Guard oil spill preparedness and response capabilities. While some of the findings of the released reports are still being reviewed, the Coast Guard has already taken steps to implement various recommendations. Some of the actions currently being pursued by the Coast Guard include:

- Directing Captains of the Port to review Oil Spill Response Plans for offshore facilities;
- Requiring Area Committees to include Worst Case Discharge scenarios for offshore facilities in their respective Area Contingency Plans;
- Working with the National Response Team to review large volume and novel dispersant use;
- Reviewing response data management procedures and tools; and,

Additionally, the Coast Guard is planning on directing significant resources toward improving the Nation's oil spill preparedness and response capabilities in Fiscal Year (FY) 2012. The President's FY 2012 budget request includes significant funding that would increase the Coast Guard's Marine Environmental Response and Marine Safety capabilities. Included in the FY 2012 request are 87 marine environmental response personnel, which includes a 33 personnel dedicated Incident Management Assist Team (IMAT), additional marine environmental responders at Sectors, and additional Strike team personnel. Enhancement of these core competencies will ensure continued proactive leadership to prevent disasters on U.S. waters, and to respond to them when they do occur.

The Coast Guard will continue to address the recommendations put forth in the after action reports. There is more work to be done and the Coast Guard is committed to work diligently within the organization and with government partners and industry to implement meaningful improvements for future oil spill planning, preparedness, organization, and response.

Mr. ADERHOLT. Well, thank you, Admiral, for being here today. Just to follow up, you had mentioned the revisions to the APBs. And I just wanted to follow up on the APBs. If you could submit these to the Committee, it would be very helpful.

Admiral PAPP. Yes, sir. We would be glad to.

Mr. ADERHOLT. Thank you again for your presence here before the Subcommittee, and we look forward to working with you on the fiscal year 2012 budget.

Admiral PAPP. Me, too. Thank you, Mr. Chairman.

Mr. ADERHOLT. The Subcommittee is adjourned.

QUESTIONS FOR THE RECORD SUBMITTED BY

THE HONORABLE Robert Aderholt

Admiral Papp, Commandant of the U.S. Coast Guard

Committee on Appropriations
 Subcommittee on Homeland Security
 FY 2012 Budget Request – U.S. Coast Guard
 March 10, 2011

Recapitalization & Meeting Mission Requirements

Question: Admiral Papp, please explain how the Coast Guard will monitor the progress of its system-wide / fleet-wide recapitalization efforts since the “Deepwater” initiative and organization has been dissolved.

ANSWER: The Coast Guard is now the Systems Integrator for all major acquisition projects. The Coast Guard continues to mature its governance structure and business processes in order to efficiently and effectively recapitalize the Coast Guard.

In September 2009, the Coast Guard established the Executive Oversight Council (EOC), which is a Flag Officer and Senior Executive Service level governance entity. It is comprised of the acquisition enterprise leadership (acquirers, sponsors, resource directors, and technical authorities) whose primary function is to address issues and events affecting performance, cost, and/or schedule for major acquisition projects. The EOC is also responsible for monitoring major risks, addressing emergent issues, reviewing acquisition decision event exit criteria, and providing direction to cross-directorate teams. In addition, the EOC serves the Coast Guard Acquisition Review Council (CG ARC) which is the primary advisor to the Component Acquisition Executive (the Vice Commandant), communicating primarily through a series of annual reviews and decision events for all acquisition matters.

The Coast Guard has institutionalized these changes with updates to several acquisition related guiding documents. The Major System Acquisition Manual (MSAM), which was reissued in November 2010, describes, in detail, the major systems acquisition management process, the systems engineering life cycle, requirements generation, project management planning, and capital investment planning. The MSAM also requires a series of reports and reviews as part of the project development and acquisition oversight process. Reports include monthly and quarterly project reports to Coast Guard and DHS leadership, and the Quarterly Acquisition Report to Congress (QARC). The MSAM complies with all DHS acquisition directives (i.e. DHS 102-01). DHS provides valuable oversight to Coast Guard Acquisition activities through regular reviews and specific Acquisition Decision Events.

In order to continue improving acquisition governance and processes, the Coast Guard developed a strategic plan, the Blueprint for Continuous Improvement. This plan identifies specific goals and measures and tracks improvements to the acquisition enterprise ensuring they are aligned with DHS’ acquisition goals and objectives.

Question: Please submit current Acquisition Program Baselines (APBs) for all surface, aviation, shore, and C4ISR investments. These APBs should be current as of the FY12 budget request; include complete details of cost, schedule, and performance attributes per acquisition; and include life-cycle costs per asset to include projected operational and maintenance costs.

ANSWER: Requested documents are attached at the end of all responses to Questions for the Record.

Question: Admiral Papp, since "Deepwater" has been formally dissolved, please state for the record the relevancy of the most recently submitted Revised Deepwater Implementation Plan and how this plan relates to the current APBs per acquisition.

ANSWER: The Coast Guard considers the recently submitted Deepwater Implementation Plan (DWIP) to be very relevant in that it updates the previous plan with more current information. It documents how the FY 2011 President's Budget Request and the FY 2011-2015 Capital Investment Plan support and build upon asset cost, schedule, and performance for a significant portion of the Coast Guard's recapitalization plan. As indicated in the recently submitted DWIP, the Coast Guard has disaggregated the Deepwater Acquisition Program Baseline (APB) structure and has developed or is in the process of developing individual asset APBs for all applicable projects. The DWIP references approved individual asset APBs as appropriate.

Question: The Coast Guard's current recapitalization efforts align to a mission needs statement (MNS) that was completed in 2004. Since that MNS is approximately seven years old and because the MNS was completed by the ICGS systems integrator that is no longer managing the Coast Guard's recapitalization efforts, what is the Coast Guard using to define its current and projected mission requirements? How is the Coast Guard aligning its recapitalization efforts to current and projected mission requirements? What is being done to update the 2004 MNS? When will it be submitted to the Committee?

ANSWER: Current mission requirements are reported via the Standard Operational Planning Process (SOPP). This annual process is the Coast Guard's operational planning system designed to connect strategic and operational intent to tactical mission execution; apportion Coast Guard resources; measure mission performance and resource usage; and provide information for strategic, budgetary, readiness, and operational planning efforts. At the strategic level, the assessments received through SOPP are one of several inputs that are analyzed by mission managers, and then documented in each Mission Performance Plans (MPP). The MPPs set near and long-term performance targets and identify actions required to meet those targets. These MPPs are then used to inform short and long term budget decisions and priorities for recapitalization.

Projected mission requirements are also developed through periodic Mission Analysis Reports (MARs). The MAR reflects the Coast Guard's periodic assessment of its future mission requirements. The MAR is a pre-decisional document for the acquisition process and also serves as a long range planning tool for mission managers. Based on the MAR, the Office of Capabilities (CG-7) may develop a Mission Need Statement (MNS) as a formal description of strategic need for a new material solution. In the case of a new asset, CG-7 will then develop a Concept of Operations (CONOPS) to describe the way the asset will be used and an Operational Requirements Document (ORD) that describes the desirable standards of performance. The ORD is a formal "contract" between the Coast Guard Sponsor and the Coast Guard Program Manager and informs recapitalization efforts.

The 2004 Mission Need Statement (MNS) was an update to reflect the external influences that occurred after the 1996 Integrated Deepwater System MNS was completed. The primary reason for the update was to indicate the enhanced capability and capacity needs to fulfill new post-9/11 mission requirements in conjunction with the Coast Guard's assignment to the Department of Homeland Security. The enhanced capability and capacity to accomplish Government Performance and Results Act (GPRA) goals were also included in the updated 2004 MNS.

The current Program of Record (POR) was developed based on the 2004 MNS and 2004 Performance Gap Analysis (PGA). Since 2004, the Coast Guard conducted the Fleet Mix Analysis (FMA) Phase 1 to validate asset requirements as the Coast Guard took on Lead System Integrator responsibilities. Currently, the Coast Guard is working with DHS to finalize that work in an analysis that seeks to optimize the capabilities purchased under the cutter acquisition programs by analyzing performance needs together with the recent documentation of actual costs for the NSC and FRC programs.

The ongoing analyses will inform the FY 2013 budget submission and strengthen FY 2013-2017 CIP projections.

Question: Provide a copy of the fleet mix study and an explanation of how the study is currently being applied towards defining the Coast Guard's mission requirements to the Committee as soon as possible. What is the Coast Guard's estimate for when the fleet mix study and an explanation of its application will be submitted to the Committee?

ANSWER:

The Coast Guard and DHS are committed to providing Congress with accurate, complete and timely information regarding the rationale for any proposed changes to the investment strategy for recapitalization of the Coast Guard's surface and air fleets. The Fleet Mix Analysis (FMA) that was provided to GAO staff to facilitate their ongoing acquisition related audits was a pre-decisional, deliberative document that explored various alternative asset mixes without regard to cost or mission prioritization. To date, there has been no change instituted to the surface programs of record as a result of these or any other acquisition study.

Question: Please define the "Stem to Stern Review" you cited in your testimony. Please explain and define the timeframe for this review, the scope of this review, who will be conducting it, whether or not a third party will be involved, and the goals and objectives of this review.

ANSWER: Coast Guard Deployable Specialized Forces (DSF) – Maritime Safety & Security Teams, the Maritime Security Response Team, Tactical Law Enforcement Teams, Law Enforcement Detachment Teams, Port Security Units and the National Strike Force – provide a wide array of capabilities to meet complex maritime threats. As such, the Coast Guard must ensure that DSF personnel are properly trained, equipped, and supported. The Commandant recently directed a flag officer led comprehensive review of all DSF elements. To carry out this direction the Deputy Commandant for Operations charted a review that is being led by the Assistant Commandant for Marine Safety, Security & Stewardship.

The Coast Guard's Deployable Specialized Forces "Stem to Stern Review" is largely an internal review involving a broad cross section of Coast Guard subject matter experts. Significant third party involvement is not planned. The review team is conducting an analysis of:

- A Deployable Specialized Forces Concept of Operations that defines how best to utilize and integrate all DSF units into the broader Coast Guard capabilities mix;
- Updated Training and Standardization plans;
- Recommended changes to Coast Guard personnel assignment policies; and
- An Integrated Program Management Plan for all DSF units.

Question: Please provide availability data and maintenance costs of the High Endurance Cutter (HEC) fleet, per cutter, over the past five fiscal years.

ANSWER: Table 1: High Endurance Cutter (HEC) availability reflected as actual operational hours provided for each fiscal year (3,300 operational hours is the annual target for HECs).

Resource Hours	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
CGC HAMILTON	3,162.8	3,416.7	3,224.8	3,188.8	3,667.9
CGC DALLAS	3,241.3	3,198.6	3,275.9	205.3	2,487.4
CGC MELLON	2,517.5	3,331.0	2,983.5	2,392.9	3,004.8
CGC CHASE	3,653.8	2,995.3	3,473.7	2,180.1	0.0
CGC BOUTWELL	3,018.6	3,530.0	2,460.5	3,207.4	1,290.2
CGC SHERMAN	2,759.6	1,757.2	2,867.6	3,277.5	4,624.0
CGC GALLATIN	2,908.7	3,034.9	2,792.7	64.1	133.2
CGC MORGENTHAU	3,171.2	3,223.9	3,525.4	2,623.5	1,298.7
CGC RUSH	3,028.9	1,332.8	3,124.9	1,890.0	3,068.3
CGC MUNRO	3,023.5	3,126.1	3,476.8	2,837.7	2,390.1
CGC JARVIS	598.5	2,156.5	3,180.0	1,977.8	3,018.6
CGC MIDGETT	1,849.7	4,157.5	3,392.3	3,317.9	3,494.5
TOTAL	32,934.1	35,268.5	37,778.1	27,163.0	28,477.7
Avg Hours/Hull	2,744.5	2,938.4	3,148.2	2,263.6	2,373.1

Table 2: HEC depot level maintenance (AFC-45) costs over the past five fiscal years (see note):

Maintenance Cost	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
CGC HAMILTON	\$419,881	\$3,236,905	\$1,980,119	\$2,858,037	\$3,933,815
CGC DALLAS	\$2,267,928	\$1,101,333	\$2,207,616	\$8,447,384	\$3,008,630
CGC MELLON	\$2,796,685	\$461,730	\$1,159,628	\$1,654,995	\$5,875,743
CGC CHASE	\$803,825	\$225,823	\$6,114,912	\$1,431,104	\$2,514,285
CGC BOUTWELL	\$882,564	\$719,734	\$3,547,737	\$3,496,824	\$3,352,582
CGC SHERMAN	\$1,436,066	\$2,398,355	\$650,117	\$1,154,484	\$5,122,017
CGC GALLATIN	\$1,602,190	\$476,384	\$4,366,836	\$15,157,602	\$4,357,301
CGC MORGENTHAU	\$390,792	\$752,974	\$1,252,489	\$1,947,928	\$6,535,797
CGC RUSH	\$1,829,526	\$2,232,893	\$1,113,255	\$6,920,119	\$2,251,261
CGC MUNRO	\$914,171	\$4,195,208	\$459,839	\$3,230,438	\$3,316,880
CGC JARVIS	\$3,489,601	\$2,371,934	\$988,091	\$5,401,546	\$2,293,952
CGC MIDGETT	\$3,028,091	\$1,199,334	\$504,514	\$495,071	\$5,005,281
TOTAL	\$19,861,321	\$19,372,607	\$24,345,153	\$52,195,532	\$47,567,544
Avg Cost/Hull	\$1,655,110	\$1,614,384	\$2,028,763	\$4,349,628	\$3,963,962

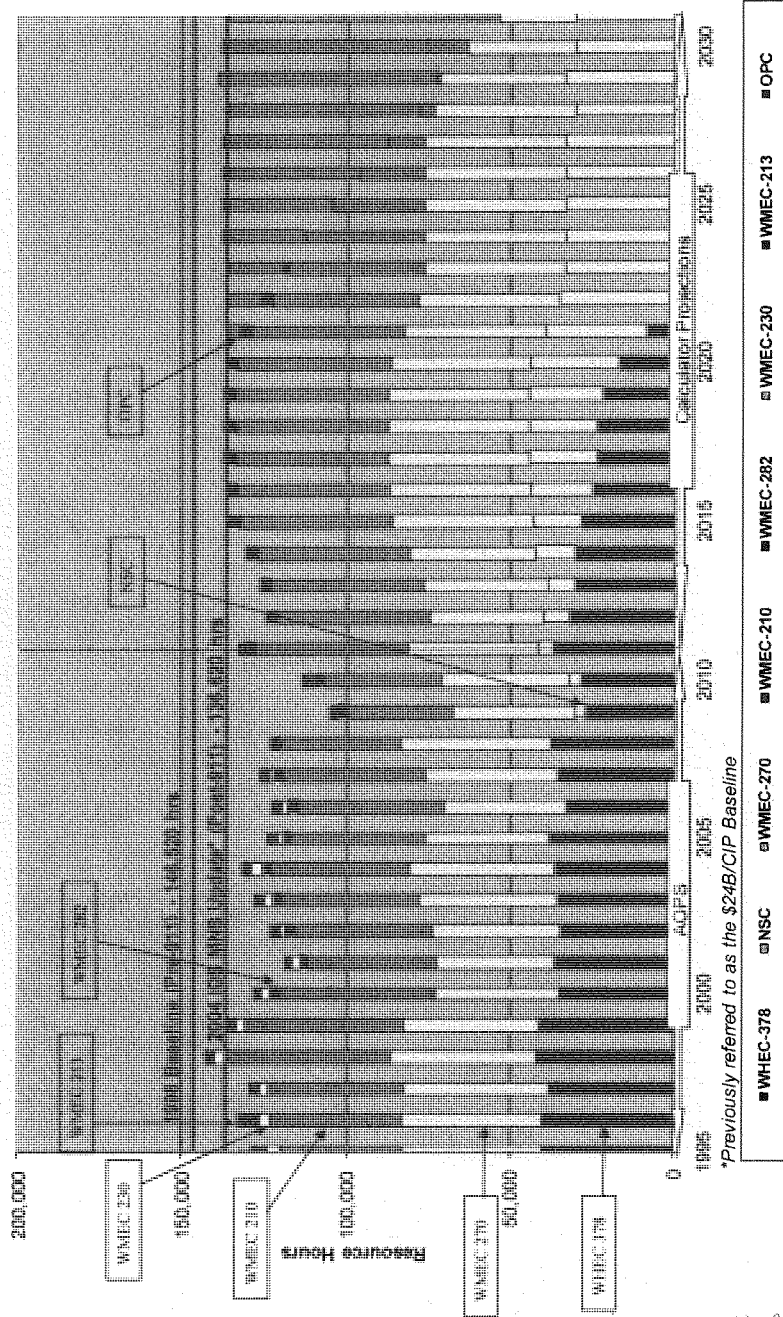
* Note: Fiscal Year 2010 obligations include \$8.6 million of American Recovery and Reinvestment Act funding.

Question: Please provide the current, underlying details and data of the major cutter (per type of cutter) mission hour chart provided to staff. Please also provide the current mission hour chart for aviation assets, including the underlying details and data per asset type. Finally, please provide the current mission hour chart for patrol boats, including the underlying details and data per asset type.

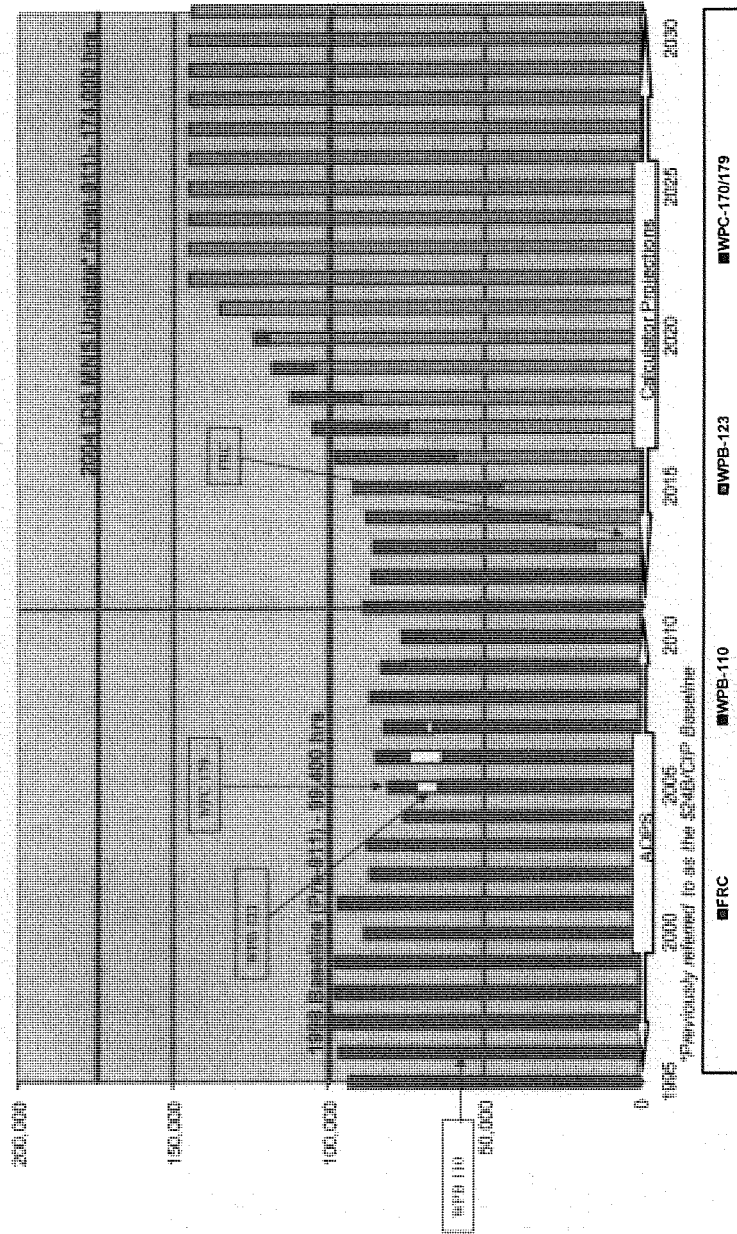
ANSWER:

The first two tables below reflect the underlying assumptions about cutter and aircraft availability that were used to estimate the annual resource hours available relative to the current agency-defined mission needs (presented in the subsequent four charts).

Major Cutter Transition Schedule

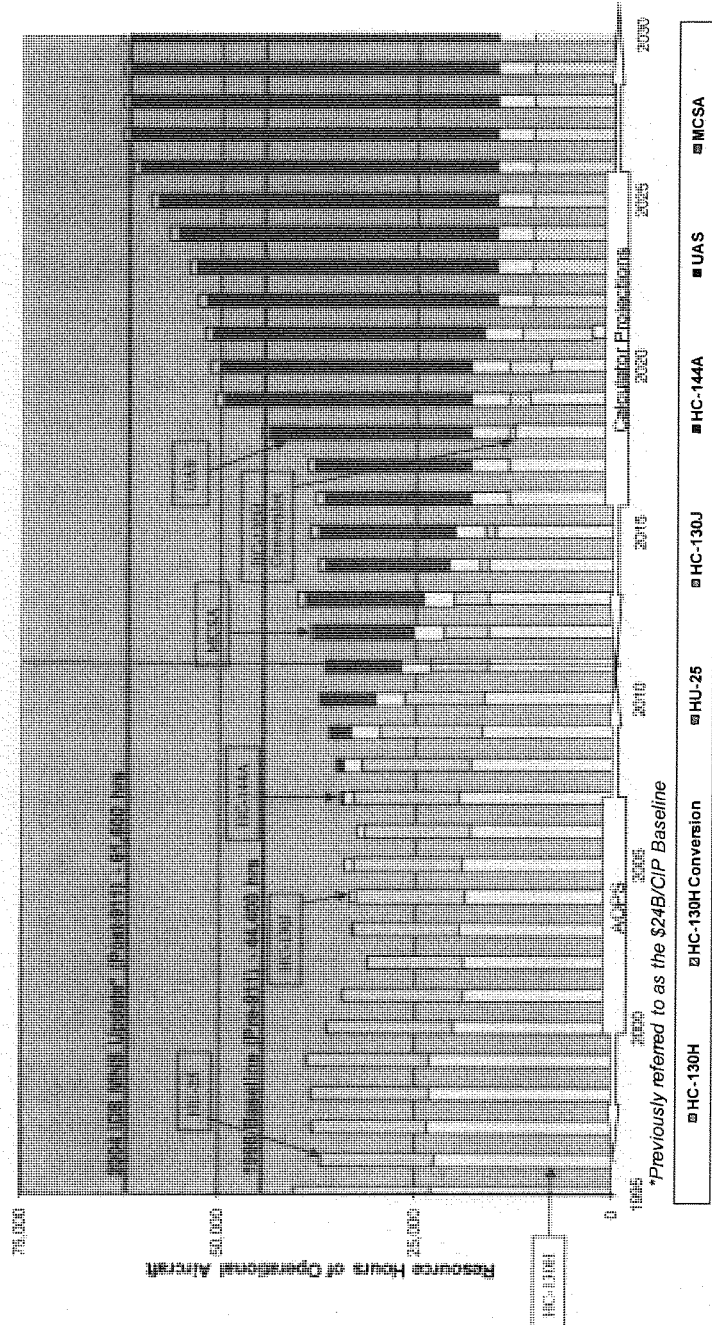


Patrol Cutter Transition Schedule



Note 1: WPC-110 projected resource hours reflect the multi-crewing option and the FY08 OMNIBUS PB Op Hour Increase.
 Note 2: Graph reflects the extension of 3 WPC-179s through FY11.

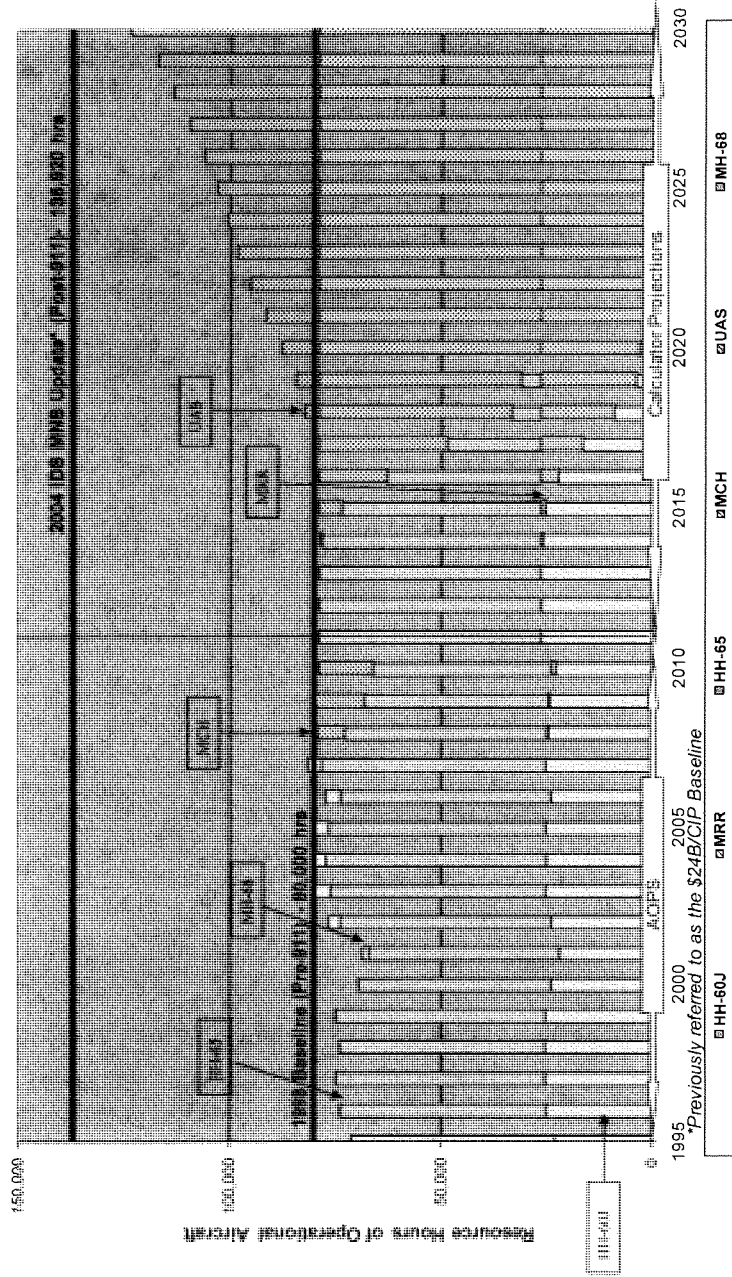
Fixed Wing Transition Schedule



Note 1: Hours reflect contribution of the covert, multi-sensor, surveillance aircraft (MCSA) as part of the Deepwater System. The MCSA is not part of the Deepwater acquisition, but its potential contribution to maritime domain awareness is reflected in this graph.

Note 2: UAS program is in pre-acquisition phase.

Rotary Wing Transition Schedule



Note 1: UAS program is in pre-acquisition phase; achievement of full capacity is projected to be beyond the window of the chart.
 Note 2: HH-65/MCH resource hours do not include NCRAD aircraft since the 7 NCRAD aircraft were not included in calculating either the 1998 or 2004 required levels.

Question: Please explain how the decreased availability of HECs combined with the delay in the National Security Cutter (NSC) delivery schedule will impact mission hours, interdiction proficiency, and fulfillment of mission requirements.

ANSWER: As experienced for the past several years, the deteriorating condition of the High Endurance Cutter (HEC) fleet contributes to availabilities that are lower than planned and maintenance and repair costs that are higher than planned. Although there was small improvement compared to 2009, in Fiscal Year 2010, the HEC fleet achieved only 75 percent of its target availability while maintenance and repair costs rose to a level 300 percent greater than planned. The decreased HEC availability and NSC delivery delays primarily affect the Counter-Drug (CD), Defense Readiness (DR), and Living Marine Resources (LMR) missions.

Question: Please explain why OMB Circular A-11 is being applied to the award of the production contract for NSC #5 when it has not been previously applied to the acquisition of the NSC. What is the impact upon cost and schedule of delaying the award of the production contract for NSC #5 until the post-production costs are appropriated (as requested in the FY12 budget request).

ANSWER: Circular A-11 permits exception to the full funding policy only in well documented cases where such an exception will not likely create an unacceptable liability for the federal government or is required due to unique circumstances of the acquisition (e.g., nuclear submarines). Recently enacted appropriations for FY 2011 fully fund procurement of the fifth NSC, thus there is no adverse impact on cost and schedule anticipated.

Question: The Coast Guard's budget justifications materials assert the cutter-based unmanned aerial system (UAS) is a priority, but there is no new funding requested for UAS in the FY12 budget request or in the five-year capital investment plan (CIP). Given these facts, how can the Coast Guard state a cutter-based UAS is a priority? Admiral, you testified that the Coast Guard is waiting for the U.S. Navy to complete its testing and development of a cutter-based UAS. Please define what the Coast Guard is precisely waiting for the Navy to complete. When does the Coast Guard estimate a decision on cutter-based UAS? What are the adverse impacts upon the NSC's operational effectiveness without a cutter-based UAS?

ANSWER: While Unmanned Aircraft System (UAS) is a priority for the Coast Guard, the highest priorities of the Coast Guard Air Domain are to extend aircraft service life, enhance the capability of current airframes, and to recapitalize aged and obsolete air assets. The Coast Guard continues to advance its plan for UAS acquisition through its partnerships with other government agencies that are developing the UAS Concept of Operations.

The Coast Guard has been awaiting successful U.S. Navy Operational Test and Evaluation of the Navy Fire Scout system. Until completion of this effort, the Navy is unable to fully commit the equipment, components and technical assistance required to carry out an Advanced Concept Capability Demonstration aboard the National Security Cutter. The Coast Guard cannot perform the demonstration without Navy support.

In order to effectively manage technical risk, the Coast Guard has partnered with other government agencies to assess how to most cost effectively implement this technology.

The Coast Guard is still in the pre-acquisition Need Phase of the Unmanned Aircraft System (UAS) acquisition. Need Phase UAS Mission Needs Statements (MNS) and Concept of Operations (CONOPS) documentation for both land-based and cutter-based UAS have been drafted and are in the review process. This phase will not be complete in FY 2011. In addition to the MNS and CONOPS, the Major Systems Acquisition Manual requires a series of Human Systems Integration activities and a completed Capability Development Plan, Acquisition Plan and Affordability Assessment. Further, the Acquisition Decision Authority must approve entry into the next phase. The Coast Guard and DHS will evaluate Acquisition, Construction, and Improvement funding requirements to complete these activities when considering future year budget requests. The decision on cutter-based UAS acquisition will be made during the next acquisition phase – Analyze/Select phase.

A cutter-based Unmanned Aircraft System (UAS) would augment surveillance efforts currently provided via embarked helicopters. A cutter-based UAS solution would provide additional maritime surveillance and detection capacity. Upgraded sensors and greater persistence associated with deployed UAS could effectively extend a cutter's immediate surveillance horizon. Without organic UAS support, the National Security Cutter would remain fully mission capable, but its surveillance capability would be limited to organic cutter sensors and manned aircraft patrols.

Question: Please provide an update on the use and acquisition of shore-based UAS. Please also explain, in a classified form, what concept of operations the Coast Guard is considering for the shore-based UAS.

ANSWER: Since 2009, the Coast Guard's partnership with Customs and Border Protection (CBP) has provided an opportunity to jointly test and operate the "Guardian" maritime Unmanned Aircraft System (UAS). In this capacity, the Coast Guard stood up a UAS Branch at Aviation Training Center Mobile and now has six qualified UAS pilots and two qualified sensor operators, with more training opportunities available. Through this joint effort, both Coast Guard and CBP crews are applying competencies/experiences to develop tactics, techniques, and procedures for maritime UAS. This joint program anticipates deploying the Guardian to conduct some counterdrug operations during FY 2012. The exhaustive test efforts and ongoing operations continue to provide both Coast Guard and CBP with a greater understanding of critical operating issues in the maritime, including (1) data management and dissemination, (2) advances in maritime sensors and communications technology, (3) maturing airspace policies and regulations, and (4) fully developing Coast Guard UAS Concept of Operations (CONOPS).

The Coast Guard is still in the pre-acquisition Need Phase of the UAS acquisition. Need Phase UAS Mission Needs Statements (MNS) and Concept of Operations (CONOPS) documentation for both land-based and cutter-based UAS have been drafted and are in the review process. This phase will not be complete in FY 2011. In addition to the MNS and CONOPS, the Major Systems Acquisition Manual requires a series of Human Systems Integration activities and a completed Capability Development Plan, Acquisition Plan and Affordability Assessment. Further, the Acquisition Decision Authority must approve entry into the next phase. The Department of Homeland Security will evaluate Acquisition, Construction, and Improvement funding requirements to complete these activities when considering future year budget requests. The decision on land-based UAS acquisition will be made during the next acquisition phase – Analyze/Select phase.

A classified concept of operations (CONOPS) has not been developed. An unclassified initial CONOPS for land-based Unmanned Aircraft Systems (UAS) has been drafted and is in the approval process. The Coast Guard envisions that land-based UAS will provide wide-area surveillance and maritime domain awareness across nine of eleven Coast Guard statutory missions within ports, harbors, inland waterways, coastal waters, and the high seas, utilizing multiple sensors and networked data links. Sensors will be used during all mission phases for aircraft navigation, hazard avoidance, and air traffic services compliance. Once in the mission area, the UAS will perform surveillance, detection, classification, and identification mission tasks, and will support prosecution tasks, as able. Sensor data will be down-linked from the aircraft to the ground control station, and can be made available to federated networks using standardized protocols for further dissemination to Coast Guard and other government agencies' command and control units, tactical units, and exploitation sites.

The Coast Guard continues to partner with CBP to explore critical operating issues in the maritime, including (1) data management and dissemination, (2) advances in maritime sensors and communications technology, (3) maturing airspace policies and regulations and (4) fully developing the UAS Coast Guard Concept of Operations (CONOPS).

Question: Please provide a comparison chart displaying the mission hours requested and tasked by JIATF-South and the mission hours the Coast Guard provided for the past five fiscal years.

ANSWER: The Coast Guard provides the Joint Interagency Task Force – South (JIATF-S) with capacity from three key resources: 1) Major Cutters, 2) Long Range Surveillance (LRS) – fixed wing aircraft, and 3) Aerial Use of Force (AUF) – rotary aircraft. Actual hours requested by the DOD are classified in the Request for Forces (RFF), however, the table below represents the mission hours (major cutters and LRS) and days (AUF) allotted to JIATF-S per the Coast Guard Statement of Intent, and the actual quantity of major cutter and aircraft hours and days provided. The missing data fields in FY 2006 and 2007 reflect a change in mission planning by the Coast Guard. Before FY 2008, the Coast Guard did not specifically apportion its mission area support to JIATF-S specific for major cutters or LRS. Resource hours were simply apportioned to the “drug interdiction” mission, which included other tactical commanders in addition to JIATF-S. Additionally, apportionment days for AUF were not added to the Statement of Intent until FY 2008.

	FY2010		FY2009		FY2008		FY2007		FY2006	
	Allotted Support	Actual Support	Allotted Support	Actual Support	Allotted Support	Actual Support	Allotted Support	Actual Support	Allotted Support	Actual Support
Major Cutter (hours)	52,560	27,780	52,560	30,435	52,560	41,982	-	36,639	-	23,590
LRS (hours)	4,700	3,579	4,700	4,036	4,600	4,123	-	4,362	-	4,055
AUF (days)	1,465	929	1,465	934	1,000	804	-	1,508	-	1,261

Question: The FY2012 request continues to modernize your fleet of HC-130 Long Range Surveillance Aircraft. In particular the request funds the installation of six Center Wing Box replacements? How has the Coast Guard partnered with other services with C-130 capacity, such as the Air Force, to share procurement best practices and leverage buying power?

ANSWER: The HC-130H Long Range Surveillance (LRS) aircraft is undergoing extensive modifications to keep the aircraft mission capable until 2027. Modifications are accomplished in five discrete segments (DS); the first three are in systems acquisition. DS1 replaces the unreliable APS-137 radar; DS2 Avionics I Upgrade (A1U) provides updated avionics to address critical obsolescence issues and compliance with international requirements; DS3 replaces the center wing box (CWB) to address airframe safety concerns; CWB replacement is required when an aircraft reaches a specified number of operating hours/cycles; DS4 Avionics II completes the replacement of legacy avionics; DS5 will incorporate a mission system on the flight deck.

The FY 2012 request will be used to begin installation of CWBs, order and install certain A1U components and fund non-recurring engineering for DS5 Missionization.

The Coast Guard will meet with the U.S. Air Force Warner Robbins Aviation Logistics Center (WRALC) in spring of 2011 to prepare for the prototype installation of a CWB aboard a Coast Guard C-130H. The prototype installation is scheduled to start in October 2011.

The Coast Guard partners with the Department of Defense (DoD) (U.S. Air Force, U.S. Navy), and other federal agencies to leverage buying power and best practices across the HC-130J and HC-130H fleets. For the HC-130J, the Coast Guard leverages the combined technical and operational experience of the international C-130J Users Group (JUG).

Support from DoD ranges from acquiring products and services from established DoD contracts, such as acquiring C-130Js from the Air Force, to using engineering and testing expertise from the Navy.

For example:

- A 2010 agreement with the Navy's Commander, Operational Test and Evaluation Forces (COMOPTEVFOR) will allow most Coast Guard acquisition programs to undergo independent testing and evaluation by the Navy.
- A 2009 memorandum of agreement between the Coast Guard and the Naval Air Systems Command (NAVAIR) allows Coast Guard major acquisition programs to leverage Navy services including: planning, cost estimation, modeling and analysis, requirements definition, risk management, and integrated logistics support.
- A 2009 agreement with the Navy's Space and Naval Warfare Systems Command (SPAWAR) allows Coast Guard programs to obtain technical and other support services for the research and development, design, engineering, integration, acquisition, test and evaluation, installation, and life cycle support of Coast Guard command, control, communications and computer systems.
- Full funding for the Coast Guard's 7th and 8th C-130J (\$174 million) was appropriated in the FY 2010 Disaster Relief Supplemental to the U.S. Navy and transferred to the U. S. Air Force in order to negotiate these two aircraft onto their existing five year option contract with the manufacturer, Lockheed Martin. The Coast Guard will leverage Navy and Air Force relationships to missionize the aircraft and procure spares,

The Coast Guard has achieved significant cost savings from quantity discounts and reduced unit prices when Coast Guard orders are combined with orders from other DoD departments. Additional benefits include reductions in contracting administrative costs and expedited processing times.

- For the initial purchase of six C-130J aircraft, the Coast Guard determined that using the Air Force contract was the best alternative because the Air Force did not charge a fee for their contracting service, the contract has established rates based on much larger quantities than what the Coast Guard alone needed, and the Air Force had an established C-130J program office with the necessary contracting and other expertise to assist the Coast Guard with aircraft acquisition.
- Using the standard configuration of the C-130J common among U.S. government users, the Coast Guard continues to benefit from cost savings in aircraft sustainment.

Question: The FY12 budget requests funding to continue the refurbishment of C130 Hs. The Coast Guard's long range surveillance fleet mix includes C130Js. Given that the new C130Js are much more capable than the H model and they have a longer service life than refurbished Hs, does the Coast Guard have the right H/J mix? What is the cost-benefit analysis of the H/J mix that the Coast Guard proposes to invest in?

ANSWER: A Coast Guard business case analysis, conducted by an outside party (Naval Air Systems Command), concluded that an all-HC-130J fleet is the most effective and lowest total ownership cost to provide Long-Range Surveillance, Search & Rescue, and organic Department of Homeland Security heavy-lift capability.

The current acquisition plan calls for a fleet composition of 16 HC-130Hs and 6 HC-130Js. With recent HC-130H losses and the addition of two HC-130Js funded in the FY 2010 Haiti Relief Supplemental the Coast Guard is currently evaluating options to optimize its fleet of Long Range Surveillance Aircraft.

The Coast Guard is currently evaluating options to optimize its fleet of Long Range Surveillance Aircraft based on a business case analysis conducted by Naval Air Systems Command. For example, the report suggested that benefit of having a HC-130H/J fleet of 11 aircraft of each type rather than the current planned aircraft mix of 16 HC-130Hs and 6 HC-130Js is a 24 percent increase in mission effectiveness and \$600 million cost avoidance over the life of the assets.

Maintenance Backlogs

Question: Please provide a prioritized list of the unfunded, backlogged maintenance needs for cutters and aircraft.

ANSWER: The Coast Guard submits deferred maintenance data quarterly in compliance with the DHS Component Requirements Guide for Financial Reporting and the Federal Accounting Standards Advisory Board. This quarterly report provides a snapshot of the current deferred maintenance status for the Coast Guard that is consistent and repeatable. The last report submitted was for the first quarter of FY 2011:

- Naval Engineering: Cutters and Boats - \$ 97,176,774
- Aviation Engineering: Aircraft - \$ 32,992,932

The table below provides deferred maintenance by category:

FY 2011 Deferred Maintenance (as of Dec 31, 2010 (FY11, Q1))	AFC-41 (Aviation)	AFC-45 (Naval Cutters)	AFC-30 (Naval Boats)
Deferred Availabilities and Overhauls	\$ -	\$ -	\$ -
Deferred Emergency Repairs	\$ -	\$ 5,000,000	\$ -
Deferred Inventory Reorders	\$ 11,978,143	\$ 26,720,789	\$ 4,473,964
Deferred Inventory Repairs	\$ 14,239,788	\$ 21,112,753	\$ 2,127,793
Deferred Depot Level Replacement and Replenishment Projects	\$ 6,775,000	\$ 37,741,475	\$ -
Deferred Mandated Repairs	\$ -	\$ -	\$ -
Total	\$ 32,992,932	\$ 90,575,017	\$ 6,601,757
Deferred Maintenance Total (Cutters and Boats)	\$ 97,176,774		
Deferred Maintenance Total (Aircraft)	\$ 32,992,932		
Deferred Maintenance Total (Cutters, Boats, and Aircraft)	\$ 130,169,706		

In addition to annual appropriations, the Coast Guard received \$50 million in supplemental funding (P.L. 111-212) in the Operating Expenses Appropriation, of which \$43.7 million was allocated for depot level maintenance. Funds committed from remaining balances of the Supplemental help address the deferred maintenance backlog.

Military Quality of Life Issues

Question: Please provide a comprehensive program execution plan for military quality of life issues to include: an inventory of current resources for military housing, facilities, child care services, and other related services pertaining to military quality of life issues including operating costs; the projected needs and goals for the Coast Guard's military quality of life issues (including, but not limited to housing and child care services); the gaps between current resources and projected needs; and the funding schedule for addressing these gaps.

ANSWER:

Housing: The Coast Guard currently owns and maintains 3,978 family houses within and outside the continental United States. On average, the Coast Guard spends approximately \$27 million annually to maintain

the family housing inventory. The Coast Guard has a significant backlog of housing improvement, maintenance, and recapitalization projects, and is working towards the goal of reducing this backlog to improve the quality of life of Coast Guard families and maximize the life of its infrastructure. The current housing fund balance of \$14 million (previous proceeds from the sale of real property) does not cover the backlog of military housing projects, but the provision within the Coast Guard Authorization Act of 2010 provides the Coast Guard with a vehicle to address military housing needs on a recurring basis contingent upon appropriations. The Fiscal Year 2012 President's Budget requests \$20 million for military housing projects in Astoria, OR and Cape Cod, MA. The Coast Guard is in the process of conveying several pieces of property, and recouping the proceeds into the established housing fund for future housing projects, as authorized by the Coast Guard Authorization Act of 2010. The Coast Guard housing project request in the Fiscal Year 2012 budget and authorities contained in the new legislation will begin to address the backlog of government owned housing improvement projects.

The Coast Guard has also embarked on a comprehensive national assessment of government owned family and unaccompanied personnel housing. The results of this assessment will baseline current maintenance conditions and help inform housing requirements across the Coast Guard. Specifically, this assessment will determine the optimal allocation of housing and prioritize where the next maintenance/recapitalization funds will be spent. The Coast Guard continues to evaluate opportunities to leverage Public Private Venture tools to improve housing conditions and other partnerships. These efforts/initiatives will all be important to long-term management of Coast Guard housing. However, most immediately, the military housing projects contained in the President's budgets are the Coast Guard's highest priorities. These projects are vital to providing military members/families in these areas with affordable, suitable housing critical to ensuring operational readiness.

Enclosure (1) depicts the locations of the Coast Guard's 3,978 family housing units.

Enclosure (1):

State	City	Housing	State	City	Housing
Alaska	Petersburg	16	Maryland	Berlin	3
	Cordova	26		Ocean City	1
	Homer	18		Annapolis	2
	Sitka	60		Baltimore	1
	Valdez	30	Massachusetts	Cape Cod	445
	Tok	6		Bedford	15
	Ketchikan	1		Beverly	16
California	Kodiak	406		Gloucester	3
				Harwich	7
	Santa Barbara	8		Hull	10
	Point Loma	3		Martha's Vineyard	9
	Pt Vicente	3		Nantucket	26
	San Pedro	2		Provincetown	1
	Mare Island	4		South Weymouth	54
	Rio Vista	8		Wakefield	12
	Eureka	62		Woods Hole	1
	Ft Bragg	7	Michigan	Cheboygan	27
	Monterey	2		Frankfort	2
	CAMSPAC	28		Ludington	4
	Alameda	298		St Joseph	2
	Concord	280		Dollar Bay	6
	Novato	249		Marquette	1
	Yerba Buena Island	2		Sault Ste Marie	59
	Petaluma	127		St Ignace	14
Connecticut	Guilford	9	Minnesota	Baudette	4
	Old Saybrook	2			
	Stratford	1	Montana	Havre	4
	CG Academy	4			
Delaware	Marcus Hook	1	Nevada	Boulder City	4
Florida	Fort Myers	8	New Hampshire	New Castle	2
	Grassy Key	12			
	Marathon	1	New Jersey	Rosebank	1
	Islamorada	6		Sandy Hook	67
	Jupiter Inlet	11		Cape May	174
	Malone	2		Absecon	11
Hawaii	Hilo	5		Avon	5
	Kalaheo, Kauai	6		Barneget Light	8
	Kahului, Maui	6		Palermo	9
	Honolulu	6	New York	Babylon	13
Louisiana	Grand Isle	24		East Hampton	14
	Grangeville	1		Northport	11
				West Hampton	52
Maine	Boothbay Harbor	2		Coney Island	1
	Cape Elizabeth	2		Fort Wadsworth	253
	Thomaston	8		Saugerties	1
	Kennebeck	1	North Carolina	Buxton	45
	Owls Head	1		Hobucken	6
	Jonesport	12		Kill Devil Hills	1
	Southwest	21		Nags Head	3
				Elizabeth City	72

Enclosure (1):

State	City	Housing	State	City	Housing
Alaska	Petersburg	16	Maryland	Berlin	3
	Cordova	26		Ocean City	1
	Homer	18		Annapolis	2
	Sitka	60		Baltimore	1
	Valdez	30	Massachusetts	Cape Cod	445
	Tok	6		Bedford	15
	Ketchikan	1		Beverly	16
California	Kodiak	406		Gloucester	3
				Harwich	7
	Santa Barbara	8		Hull	10
	Point Loma	3		Martha's Vineyard	9
	Pt Vicente	3		Nantucket	26
	San Pedro	2		Provincetown	1
	Mare Island	4		South Weymouth	54
	Rio Vista	8		Wakefield	12
	Eureka	62		Woods Hole	1
	Ft Bragg	7	Michigan	Cheboygan	27
	Monterey	2		Frankfort	2
	CAMSPAC	28		Ludington	4
	Alameda	298		St Joseph	2
	Concord	280		Dollar Bay	6
	Novato	249		Marquette	1
	Yerba Buena Island	2		Sault Ste Marie	59
	Petaluma	127		St Ignace	14
Connecticut	Guilford	9	Minnesota	Baudette	4
	Old Saybrook	2			
	Stratford	1	Montana	Havre	4
	CG Academy	4			
Delaware	Marcus Hook	1	Nevada	Boulder City	4
Florida	Fort Myers	8	New Hampshire	New Castle	2
	Grassy Key	12			
	Marathon	1	New Jersey	Rosebank	1
	Islamorada	6		Sandy Hook	67
	Jupiter Inlet	11		Cape May	174
	Malone	2		Absecon	11
Hawaii	Hilo	5		Avon	5
	Kalaheo, Kauai	6		Barneget Light	8
	Kahului, Maui	6		Palermo	9
	Honolulu	6	New York	Babylon	13
Louisiana	Grand Isle	24		East Hampton	14
	Grangeville	1		Northport	11
				West Hampton	52
Maine	Boothbay Harbor	2		Coney Island	1
	Cape Elizabeth	2		Fort Wadsworth	253
	Thomaston	8		Saugerties	1
	Kennebeck	1	North Carolina	Buxton	45
	Owls Head	1		Hobucken	6
	Jonesport	12		Kill Devil Hills	1
	Southwest	21		Nags Head	3
				Elizabeth City	72

also includes notionally proposed levels for Coast Guard members with the \$9.3 million increase in the Fiscal Year 2012 budget.

Coast Guard/DoD Child Care Comparison of Out of Pocket Weekly Fees										
		Current DoD Rates	CG FY 2011*	FY 2011 Max Yearly Subsidy for CG*			CG FY 2012	Proposed Max Yearly Subsidy for CG		
	Total Family Income (DoD Rate Tables)	Max Member Contribution	Max Member Contribution	Child#1	Child #2	Child #3	Proposed Max Member Contribution	Child#1	Child #2	Child #3
Cat.										
9	\$125,001+	\$137-\$139	Unsubsidized Costs	\$0	\$0	\$0	\$175	\$1,000	\$0	\$0
8	\$100,001-\$125,000	\$134-\$136	Unsubsidized Costs	\$0	\$0	\$0	\$160	\$3,000	\$1,500	\$0
7	\$85,001-\$100,000	\$131-\$133	Unsubsidized Costs	\$0	\$0	\$0	\$145	\$3,000	\$1,500	\$0
6	\$73,501-\$85,000*	\$122-\$130	\$132	\$1,000	\$0	\$0	\$130	\$4,500	\$1,500	\$0
5	\$57,751-\$73,500	\$106-\$121	\$120	\$2,000	\$1,000	\$0	\$115	\$4,500	\$1,500	\$0
4	\$46,201-\$57,750	\$91-\$105	\$108	\$3,000	\$1,500	\$0	\$100	\$4,500	\$1,500	\$0
3	\$35,701-\$46,200	\$75-\$90	\$95	\$4,500	\$2,000	\$1,000	\$90	\$4,500	\$3,000	\$1,500
2	\$29,401-\$35,700	\$60-\$74	\$85	\$4,500	\$2,000	\$1,000	\$70	\$4,500	\$3,000	\$1,500
1	\$0-\$29,400	\$44-\$59	\$75	\$4,500	\$2,000	\$1,000	\$55	\$4,500	\$3,000	\$1,500

* Prior to FY12, CG Child Care subsidies were not offered to service members above an income level of \$75,000

Note: Unlike DoD, even with the FY12 proposed increases for childcare, the Coast Guard will still maintain a per year maximum subsidy level for members based on total family income (TFI) and the number of dependents enrolled in a child care program. For example: A Coast Guard O-5 earning over \$100,000 (category 8) paying \$300 a week for child care expenses can expect to pay \$160 per week out-of-pocket and be reimbursed the remaining expenses up to \$3,000 per year for the first child. A Coast Guard E-4 earning less than \$46,200 (category 3) will pay an out-of-pocket expense \$90 per week and will be reimbursed up to \$4,500 per year for the first child, \$3,000 for the second and \$1,500 for the third child.

Maritime Safety and Security Teams (MSSTs)

Question: Both the GAO and the DHS Office of the Inspector General reported on the Coast Guard MSST program in the past year. The DHS Inspector General's Office stated, "The Coast Guard has not conducted a comprehensive analysis to validate that the MSST program and structure is the best approach for achieving program goals." The DHS Inspector General concluded the Coast Guard could benefit from determining whether the funds spent on the MSST program could be put to more efficient and effective use. Has the Coast Guard completed this analysis? If so, what are the findings?

ANSWER: The Coast Guard is currently undertaking an internal "Stem to Stern" review of all Deployable Specialized Forces units including Maritime Safety & Security Teams, the Maritime Security Response Team, Tactical Law Enforcement Teams (TACLET), Port Security Units and the National Strike Force. Included in this review is an analysis of how to best integrate and employ all DSF units into the broader Coast Guard capabilities mix. The Coast Guard's Deployable Specialized Forces "Stem to Stern Review" is scheduled for delivery to Coast Guard Leadership in FY 2011.

Budget

Question: Please provide a comprehensive and detailed (zero-based) list of all proposed reductions to professional services, administrative functions, and support functions in the FY12 budget. In this list, please compare the actual costs of such services in FY10, the projects costs for the remainder of this fiscal year, and the proposed budget for FY12.

ANSWER: Provided below:

Efficiencies & Offsets (\$000)	FY 2010 Actual	FY 2011 Estimated Remaining ¹	FY 2012 Budget Estimates
Operational and Program Support Reduction	\$2,647,689 ²	TBD	\$2,591,196
DHS Efficiency Review	\$5,935,523 ³	TBD	\$6,038,949
Non-Operational Travel	\$48,000	TBD	\$38,000 ⁴
Professional Services	\$439,428	TBD	\$370,742 ⁵
Standard Workstation Help Desk Consolidation	\$65,000	TBD	\$58,100 ⁶

¹ Per Section 1601 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011, the Coast Guard is developing expenditure plans for FY 2011 based on the recently enacted full year appropriation.

² FY 2010 Operating Expenses non-pay (PPAs I and II excluded) actuals exclude non-pay funding for Overseas Contingency Operations, but account for reductions associated with the Operational and Program Support reductions. Other adjustments made within the Operating Expenses appropriation reflect a net decrease from FY 2010 actuals to the FY 2012 President's Budget.

³ FY 2012 Operating Expenses (PPA II excluded) budget estimates do not include funding for Overseas Contingency Operations, but account for reductions associated with the Administrative Savings Initiative. Other adjustments made within the Operating Expenses appropriation reflect a net increase from FY 2010 actuals to the FY 2012 President's Budget.

⁴ Reflects a more than 25% reduction in non-operational travel.

⁵ Reflects FY 2010 actuals associated with advisory and assistance services (Object Class 25.1) for the Coast Guard's Operating Expenses and Acquisition, Construction, and Improvements appropriations.

⁶ Reflects estimated funding to support the Coast Guard Standard Workstation.

Question: Please provide the complete underlying details to all technical adjustments and base re-allocations as listed on page CG-OE-2 of the FY12 budget justification materials.

ANSWER: The following details are provided to support the base funding reallocations proposed in the FY 2012 President's Budget.

Reserve Force Contract Conversion: The proposal shifts funding from Program/Project Activity (PPA) IV (operating funds and unit level maintenance) to PPAs I/II (military/civilian pay and benefits) to fund 13 (eight military and five civilians) Full-time Equivalents (FTE). Short-term support provided by Reserve Active Duty Operational Support personnel will be replaced by permanent active duty personnel at the Coast Guard Security Center to adjudicate security clearances. Due to the inherently governmental aspect of security and suitability determinations, only federal employees can make final determinations. This conversion in turn frees up reserve personnel to train for and deploy in response to contingencies consistent with the purpose of the Reserve workforce.

Military to Civilian Transfer: The proposal converts military billets to civilian billets for billets associated with inherently civilian functions. The proposal is net budget neutral and shifts funding from PPA I to PPA II. Positions previously funded by PPA I with inherently civilian functions would be funded by PPA II under this proposal. Examples of billets converted from military to civilian include positions at the National Maritime Center, Coast Guard Headquarters, Recruiting Command and Training Centers, and field units.

PPA Funding Technical Transfer: This proposal reallocates funding to the appropriate PPA to align with Coast Guard financial policy and the modernized operations and support organizations of the Coast Guard. The adjustments do not in any way alter the purpose of the funds appropriated; however, the proposed reallocation would allow the Coast Guard to manage funding in a manner consistent with how the funding is executed. Adjustments include:

- Reallocate base funding residing in PPA IV to PPA III (training and recruiting) to properly source functions primarily executed at Coast Guard training centers.
- Reallocate and centralize base funding for hardware and network services to PPA V (centrally managed accounts) consistent with how funding will be managed.
- Centralize base funding for Secure Internet Protocol Router Network operations from PPA IV to PPA V consistent with how funding will be managed.

Multi-Sector Workforce Rebalancing Initiative: As reflected in the FY 2011 President's Budget, the Multi-Sector Workforce Rebalancing Initiative (MWRI, formally the DHS Balance Workforce Strategy) was estimated to provide a net savings of \$14.5 million (reductions taken from PPAs III and IV) by converting contract funding to 300 FTE (185 civilians & 115 military). Using DHS tools and criteria, the Coast Guard reviewed and evaluated 42 contracts. The 2012 request adjusts the original FY 2011 estimates by increasing the civilian FTE from 185 to 286 and decreasing military FTE from 115 to 29 for a total of 315 FTE (i.e., 15 more than anticipated in Fiscal Year 2011). The budget neutral technical adjustment accounts for military to civilian conversions, the additional 15 FTE to be converted, and PPA funding adjustments to align with identified professional service contract reductions.

Aviation Safety & Mishaps

Question: Please list the major aviation mishaps that have occurred over the past two years, the associated injuries and fatalities to any and all individuals involved, and associated resource costs. Please explain the actions the Coast Guard had undertaken over the past year with regards to aviation safety. What is planned for the remainder of this fiscal year and for FY12.

ANSWER: The table below summarizes major Coast Guard aviation mishaps over a 22-month period beginning in September of 2008:

Tail/Type/Mishap	Date	Injuries/ Fatalities	Cost to Repair or Replace
6505/H65/Hoist Mishap	04Sep08	0/4	Undetermined
1705/HC130/Midair w/ USMC helicopter	29Oct09	0/9	\$70.0M
2139/HU25/Nose gear collapse	17Nov09	0/0	\$ 1.5M
6028/H60/Flight into mountainous terrain	03Mar10	2/0	\$18.3M*
6523/H65/Flight into water	20Apr10	0/0	Undetermined
6581/H65/Hard landing during training	29Apr10	0/0	\$ 2.7M
6017/H60/Wire strike	07Jul10	1/3	\$18.3M

* \$15.5 million was provided in the 2010 Disaster Relief Act (P.L. 111-112). An additional \$2.8 million was expended using Coast Guard funds prior to the supplemental appropriation.

Individual mishap investigations did not conclusively identify a singular common cause for the negative trend in aviation safety. Therefore, the Coast Guard chartered an Aviation Safety Assessment Action Plan (ASAAP) to collectively analyze the mishaps from an organizational systemic perspective. The ASAAP consists of five separate components (see below) that each analyzed the mishaps and evaluated organizational and cultural effects contributing to mishaps.

The five specific components of the ASAAP are:

- AC1: Operational Hazard Analysis (completed)
- AC2: Aviation Data Collection and Aviation Safety Survey (completed)
- AC3: Aviation Leadership Improvement Focus Group (ALIFG) Study (completed)
- AC4: Independent Data Analysis and Process Assessment Study (completed)
- AC5: CGAA Industry Benchmarking Study (in progress)

Four of the five ASAAP components are completed and the fifth will be completed later this year. The findings of the four analysis components have produced numerous action items to improve aviation safety. Many of the actions items have been implemented (policy & procedural changes, training program enhancements, etc.) and the longer term action items are in progress. Fleet wide briefings of the ASAAP findings commenced to inform field units of the findings and maintain the focus on aviation safety. The briefings are approximately 50 percent complete and will continue to ensure all aviation units and associated command and control personnel benefit from the study's findings.

The plans for the remainder of this year and for FY 2012 include refinement of ASAAP recommendations following completion of the fifth analysis component. Also, the process of implementing ASAAP recommendations will continue as well as continual self evaluation to better prevent future mishaps.

Question: Please explain how the Coast Guard is planning and budgeting for reset needs with respect to assets lost in the course of operations.

ANSWER: The table below is a summary of recent aircraft losses and the status for replacement. The Coast Guard is currently assessing the optimal solution for the replacement of two H-65 aircraft (6505 and 6523) lost in operational mishaps.

Summary of Aviation Mishaps and Replacement Status

Type	Name	Date Lost	Air Station	Area of Support	Current Status
C-130	1710	June 2006	Kodiak, AK	Alaska/Pacific	Replacements funded in the Fiscal Year 2010
	1705	Oct. 2009	Sacramento, CA	Pacific Area	Disaster Relief and Summer Jobs Act of 2010 (P.L. 111-212); \$174 million (transferred from U.S. Navy) for two C-130Js, \$15.5 million for one H-60.
H-60	6028	Feb. 2010	Elizabeth City, NC	Mid-Atlantic	Replacement funded in the Fiscal Year 2012
	6017	July 2010	Sitka, AK	Alaska/Pacific	President's Budget.
H-65	6505	Sept. 2008	Barbers Point, HI	Pacific Area	TBD.
	6523	Apr. 2010	Detroit, MI	Great Lakes	

Multi-Sector Workforce Rebalancing Initiative

Question: How many civilian employees have been hired under the multi-sector workforce re-balancing initiative in the current fiscal year, how many are projected to be hired by the end of the current fiscal year, and how many are projected to be hired in FY12? Please list the specific tasks and occupations for each position compared against current capabilities. Finally, please compare the net present value of the federal workers hired compared to the life-cycle costs of the comparable contractor for which the federal employees are intended to replace.

ANSWER: To-date, 26 out of 286 civilian employees associated with the Coast Guard's Multi-Sector Workforce Rebalancing Initiative (MWRI) have been selected and are on-board. The remaining 260 employees are expected to be hired by the end of FY 2011.

Attached is Schedule K in the Operating Expenses section of the FY 2012 budget request that contains the positions associated with the MWRI (includes both civilian and 29 military personnel for a total of 315 positions). The respective position titles provided in the list reflect the work to be performed by each of these federal employees and the commensurate work/positions provided under contract.

A 20-year Net Present Value (NPV) analysis associated with the savings generated by MWRI was completed by Coast Guard. The NPV analysis yielded an estimated 20-year savings of \$245 million using the following assumptions:

1. Contract values are escalated by the Employment Cost Index (2.35 percent) obtained from Bureau of Labor and Statistics.
2. Full-Time Equivalent (FTE) costs are inflated using Department of Defense revised out-year inflation guidance for the FY 2011 President's Budget (2.3 percent pay) and (1.7 percent non-pay).
3. An adjustment was made to include the costs associated with the Military Medicare-eligible retiree Health Care Fund for the 29 military members.
4. As per Office of Management and Budget Circular A-94, a 3.9 percent discount rate was used to complete the NPV analysis.

Position Type	FY 2010 Actual		FY 2011 Pres. Budget		FY 2011 Annualization		FY 2011 Follow On ¹		FY 2012 Increase		FY 2010 – FY 2012 DHS Balanced Workforce Strategy	
	Pos.	FTE	Pos.	FTE	Pos.	FTE	Pos.	FTE	Pos.	FTE	Pos.	FTE
Legal Instruments Examiner	-	-	65	65	-	-	-	-	-	-	65	65
General Inspector/Compliance Managers	-	-	7	7	-	-	-	-	-	-	7	7
Tech Writer/Multimedia Specialists	-	-	5	5	-	-	-	-	-	-	5	5
Senior Engineering Tech	-	-	1	1	-	-	-	-	-	-	1	1
Supply Technician	-	-	1	1	-	-	-	-	-	-	1	1
Construction/Damage Control Inspector	-	-	10	10	-	-	-	-	-	-	10	10
Security Specialists	-	-	15	15	-	-	-	-	-	-	15	15
Telecommunication/IT Specialists	-	-	12	12	-	-	13	13	-	-	25	25
Spectrum Management Analyst	-	-	9	9	-	-	-	-	-	-	9	9
Inventory Management Specialist	-	-	3	3	-	-	-	-	-	-	3	3
Human Resources	-	-	14	14	-	-	-	-	-	-	14	14
Flight Data Program Manager	-	-	1	1	-	-	-	-	-	-	1	1
Equipment Specialist	-	-	17	17	-	-	-	-	-	-	17	17
Contract Specialist	-	-	3	3	-	-	-	-	-	-	3	3
Data Librarian	-	-	2	2	-	-	-	-	-	-	2	2
Budget/Program/Management Analyst	-	-	17	17	-	-	2	2	-	-	19	19
Field Terminal Operator	-	-	42	42	-	-	-	-	-	-	42	42
Electronics Technicians	-	-	26	26	-	-	-	-	-	-	26	26
Systems Analyst	-	-	12	12	-	-	-	-	-	-	12	12
Software Engineer/Developer	-	-	4	4	-	-	-	-	-	-	4	4
Electronic Technician	-	-	3	3	-	-	-	-	-	-	3	3
Systems Support Administration	-	-	2	2	-	-	-	-	-	-	2	2
Civil Engineering Logistics Trainer	-	-	9	9	-	-	-	-	-	-	9	9
Intelligence	-	-	5	5	-	-	-	-	4	4	9	9
Accountant	-	-	15	15	-	-	-	-	-	-	15	15
Total	-	-	300	300	-	-	15	15	4	4	319	319

Question: What is the total funding associated with the multi-sector workforce re-balancing initiative in FY12 (including base funding)?

ANSWER: The FY 2012 President's Budget proposes \$484,000 in savings associated with the Coast Guard insourcing of one professional service contract to government service, requiring four new full time positions.

The Multi-Sector Workforce Rebalancing Initiative (MWRI, formally the Department of Homeland Security Balance Workforce Strategy) was estimated to provide a total net savings for the Coast Guard of \$14.5 million in FY 2011 by reducing contracts and converting contract funding to 300 Full-Time Equivalent (FTE) 185 civilians & 115 military. Based on contract conversion analysis, the 2012 request adjusts the Coast Guard original Fiscal Year 2011 estimates by increasing the civilian FTE from 185 to 286 and decreasing military FTE from 115 to 29 for a total of 315 FTE (i.e., 15 more than anticipated in Fiscal Year 2011). The FY 2012 budget neutral technical adjustment accounts for military to civilian conversions, the additional 15 FTE to be converted, and associated Program, Project and Activity (PPA) funding adjustments to align with identified professional service contract reductions.

Reception and Representation Funds

Question: How does the Coast Guard plan to utilize its reception and representation expenses in FY12?

ANSWER: The Coast Guard will utilize reception and representation expenses in FY 2012 to facilitate burgeoning and established relationships with other countries and organizations that enhance Coast Guard mission effectiveness. The funds will be distributed to, and centrally managed by the Office of the Commandant in order to ensure the funds are properly utilized in accordance with federal statute.

Specifically, the funds will be utilized to pay for receptions at senior official quarters (Commandant, Vice-Commandant, Chief of Staff, Deputy Commandant for Operations, and Area Commanders) where these individuals will host heads of foreign Coast Guards, Navies, and military organizations, as well as build partnerships with other entities and federal agencies outside of the Department of Homeland Security. These senior officials will also use these funds to purchase representational items to present during their official travel.

Question 26: To date, how much has been spent in FY11? What is the plan for the remainder of the fiscal year? Please provide detail for each expenditure.

ANSWER: \$6,648 has been spent to date in FY 2011. The plan for the remainder of the fiscal year is to utilize reception and representation expenses to facilitate building/maintaining relationships with other countries and organizations as necessary and within budgetary constraints. The below table contains the details for each of the FY 2011 expenditures.

Department of Homeland Security Official Reception and Representation Obligations and Expenditures in 1st Qtr FY 2011 by Component Fiscal Year 2011 As of February 28, 2011							
Component Name	Name of Event(s)	Date of Event	Purpose of Event	Obligations/Cost of Item(s) purchased	Expenditures As of December 31, 2010	Remaining Budget Authority	FY 2011 CR Enacted
United States Coast Guard							
Obligations from 10/31/10 thru 02/28/2011							\$20,000
Commandant USCG	Protocol Visits	Various (10/01/2010-03/04/2011)	Protocol Visits	\$300	\$300	\$19,700	
Commandant USCG	Protocol Visits	Various (10/01/2010-03/04/2011)	Protocol Visits	\$482	\$782	\$19,218	
Commandant USCG	Protocol Visits	Various (10/01/2010-03/04/2011)	Protocol Visits	\$3,275	\$4,057	\$15,943	
Commandant USCG	VIP Visit	11/17/2010	Representational Gift	\$25	\$4,082	\$15,918	
Commandant USCG	Protocol Visits	Various (10/01/2010-03/04/2011)	Representational Gifts	\$482	\$4,564	\$15,436	
Commander, USCG Atlantic Area	Foreign Visit	12/13/2010	Representational Gifts (Foreign Visit)	\$220	\$4,784	\$15,216	
Commandant USCG	Visit by Foreign Official	12/15/2010	Foreign Visitor Gift	\$52	\$4,835	\$15,165	
Commandant USCG	Visit by Foreign Official	12/15/2010	Reception for Foreign Visitors	\$68	\$4,903	\$15,097	
Commandant USCG	Protocol Visits	Various (10/01/2010-03/04/2011)	Representational Gifts	\$1,495	\$6,398	\$13,602	
Commander, 13th CG District	Protocol Visits	2/18/11	Reception for Canadian Officials during Port Visit to Vancouver, B.C.	\$250	\$6,648	\$13,352	
TOTAL				\$6,648	\$	\$	-

QUESTIONS FOR THE RECORD SUBMITTED BY

THE HONORABLE David Price

Admiral Papp, Commandant of the U.S. Coast Guard

Committee on Appropriations

Subcommittee on Homeland Security

FY 2012 Budget Request – U.S. Coast Guard

March 10, 2011

Icebreaking

Question: I am pleased to see that your budget transfers \$39 million and 180 FTEs from the National Science Foundation for polar icebreaking, putting this activity back into an entirely DHS-funded program. This is a move we have encouraged for a few years.

In the recent State of the Coast Guard speech, you focused on expanding responsibilities for the Coast Guard in the Arctic, where retreating ice has spurred an increase in maritime activity. However, this budget appears to fund reduced icebreaking responsibilities. It assumes the decommissioning of the Polar Sea in 2011, leaving us with only 2 polar icebreakers in the future. Of note, the second large icebreaker that can be used in Antarctica—the Polar Star—is being refurbished and is not expected to return to service until 2013. Even with this refurbishment, the Polar Star will only last for 7-10 more years. This means that in the future, we will only have one heavy icebreaker (the Polar Star when it is back on service) and the more limited Healy which can really only operate in the Arctic. In comparison, other countries such as Russia and Canada have a much larger polar icebreaking fleet (25 and 18 respectively).

Other countries, such as Russia and Canada, have very extensive polar icebreaking fleets and polar operations. In comparison, ours is quite small. What is at stake in the polar region? Why aren't we more involved, like these other countries?

ANSWER:

The U.S. has economic, security and environmental interests in the Arctic Region as outlined in National Security Presidential Directive (NSPD)-66/Homeland Security Presidential Directive (HSPD)-25, Arctic Region Policy. Pertaining to Coast Guard operations, interests include enforcement of domestic laws and international treaties, protection of fisheries and other natural resources, maritime domain awareness, search and rescue missions in U.S. waters, and support for national security operations.

Russia has the largest coastline tangential to the Arctic and a fleet of ice-capable river- and ocean-going vessels that is reflective of that expanse. Both Russia and Canada use government icebreaking assets for sea-lift supply activity within their territorial seas¹. Russian icebreakers also support tourism throughout the Arctic Ocean. The U.S. government does not engage in or support such commercial activity that would require the same type of icebreaking support. To the extent that all three countries use icebreakers to support scientific study, including mapping the continental shelf in the Arctic, U.S. icebreaking assets are commensurate with other countries.

Question: Admiral Papp, if we are serious about protecting our Arctic national interests and resources, is there a longer-term plan to improve the Coast Guard's icebreaking capabilities? Or are you being asked to do more with less?

¹ Arctic Marine Shipping Assessment 2009 Report, Arctic Council.

ANSWER: With resources requested in the 2012 Budget, the Department of Homeland Security will lead a government-wide icebreaking requirements analysis modeled after the comprehensive study produced for the President in 1990. This analysis will help formulate the acquisition plan for future icebreaking capabilities and capacity.

Based on the current level of maritime activity and existing projections, CGC HEALY along with CGC POLAR STAR scheduled for reactivation in FY 2013, will provide sufficient federal polar icebreaking capability over the next seven to ten years.

Question: Given the need to maintain access to the polar regions of the globe for a variety of national security and economic reasons, as well as for scientific purposes, how does this budget request, which eliminates one heavy icebreaker, support the Coast Guard's efforts to develop and maintain its polar capabilities? Is this budget adequate to sustain the significant strategic interests we have in the emerging Arctic waters?

ANSWER: The FY 2012 budget proposal to return polar icebreaking budget authority to the Coast Guard will enhance the Coast Guard's ability to maintain its polar icebreaking capabilities. The proposal will allow the Coast Guard to make direct training and maintenance decisions for the icebreakers that it operates. Additionally, the FY 2012 Budget includes operation and maintenance funding to support the continued reactivation of CGC POLAR STAR in Fiscal Year 2013. Furthermore, the FY 2012 DHS Budget proposal includes \$5 million to develop long-term Federal polar icebreaking requirements and the acquisition plan for 21st Century icebreaking capability.

Question: To build a new icebreaker, it takes between 7-10 years and will cost almost \$1 billion. We should be building this now so a new one is operational when the Polar Star needs to be decommissioned. Where are you going next? Will the Coast Guard be down to one icebreaker in less than 10 years?

ANSWER: Once the Coast Guard completes the CGC POLAR STAR reactivation project in FY 2013, the projected service life of the ship is seven to ten years. CGC POLAR STAR is intended to provide a bridge until long-term Federal ice breaking capability requirements are evaluated and implemented.

The Department of Homeland Security FY2012 Budget includes \$5 million to determine long-term Federal polar icebreaking requirements and the acquisition plan for 21st Century icebreaking capability; this analysis will evaluate all available options, including material/non-material and government/non-government alternatives.

National Security Cutter

Question: Over the past six months, OMB has told the Coast Guard that it cannot sign a contract for new NSCs unless the agency has all funding for the NSC appropriated—long lead time materials, construction costs, and post-production costs. This is a change from the past four awards. Typically post-production funds are not required until about five years after long lead-time materials are acquired, which means that some of these dollars may be unobligated for a significant period of time or may expire.

The 2012-2016 Capital Investment Plan foresees substantial cost increases for future NSCs, with a 9 percent increase from NSC-5 to NSC-6 alone. Specifically, this shows that the Coast Guard will require \$775 million for NSCs in 2012, \$795 million for NSCs in 2014, and \$853 million for NSCs in 2015. Limited costs are shown thereafter as all NSCs are anticipated for delivery by 2018.

Admiral Papp, you've recently been told by OMB that you are required to have all funding in hand for NSC-5 and the remaining 3 NSCs before signing any contract for ship production, including all post-production costs.

What impact does this have on the delivery of these cutters? Will the schedule for the 5th NSC slip? What about the others?

ANSWER: Full funding for NSC-5 was provided in recently enacted 2011 year long appropriations, thus no schedule change is currently anticipated for procurement of this ship. Adherence to the full funding policy protects taxpayers from the risk of unfunded government liabilities. With the change to a fixed price contract structure for the NSC program, the Coast Guard has gained considerable control over acquisition pricing and schedule. The Coast Guard also notes that its post-production activities primarily comprise the critical certifications needed to make the ship operational for its intended missions. Thus, post-production activities must be completed in a timely manner.

Question: Based on the Coast Guard's Capital Investment Plan, costs for these cutters are expected to rise by 9 percent from NSC-5 to NSC-6. Is this due to the decision to have all costs on hand before award for an NSC can be made? If so, how much will costs increase overall under this scenario? How is this being a good steward of taxpayer dollars?

ANSWER: The planning estimates provided in the Coast Guard's Capital Investment Plan provide one type of input for future funding requests, but cannot be used to accurately analyze or predict total cost. The cost of the NSC program is particularly difficult to predict due to complex contracting negotiations. The Coast Guard believes that the new fixed price structure will help make costs more predictable.

Question: What impact would the schedule and cost delays have on the readiness of the High Endurance Cutter fleet, which is already experiencing challenges associated with decreased availability and increased maintenance costs?

ANSWER: The age and condition of the High Endurance Cutter (HEC) fleet is the chief factor affecting readiness. Until the diminished capacities of these legacy assets are filled through replacement by the National Security Cutter, the Coast Guard will continue to prioritize HEC operations to ensure critical mission sets are carried out.

Question: In light of OMB's recently changed position to withhold funding to award NSC-5 until the Coast Guard is in receipt of sufficient appropriations to fully fund the ship, if the Committee were to provide additional funds for the total acquisition costs of NSC-5 in FY 2011 to avoid schedule delays and associated cost increases, how would that change your budgetary requirements for 2012? Would you try to move forward the procurement of NSC-6 or seek to repurpose the \$77 million requested to other Coast Guard acquisitions?

ANSWER: Full funding for NSC-5 was provided in recently enacted 2011 year long appropriations. Proposals in the FY 2012 Budget that were funded in 2011 are currently under review.

Facilities Needs in Elizabeth City

Question: Previous funding has been provided to update the aquatic facilities at Elizabeth City for rescue swimmer training. In 2011, of the \$69.2 million requested for shore facilities, \$12 million was to replace Thrun Hall, a 40-plus year old barrack that does not meet current life safety and berthing standards, located at the aviation training center. Since the 2011 budget has not been enacted, the Coast Guard's shore facilities funding carries on at the 2010 rate of \$27.1 million. Because this funding level is 60 percent less than requested, it is unclear which of the 2011 shore facilities requests will move forward. How are you making that decision? What happened with the work requested in the 2011 budget? Will it be done in future years?

ANSWER: Funding for shore facilities requested in the FY 2011 President's Budget was appropriated in the recently enacted 2011 year long appropriation.

Question: The 2012 budget requests \$250,000 for survey and design work at the Air Station in Elizabeth City in support of future facilities modifications. What additional facility improvements are being contemplated for the Air Station at Elizabeth City? When do you anticipate they would be done?

ANSWER: The Survey and Design funding for Air Station Elizabeth City in the President's FY 2012 Budget Request will support planning and project development for a multi-phased project to recapitalize and consolidate facilities at the Air Station. When completed, the Air Station's main hangar, along with maintenance, operations, and administrative facilities will be recapitalized and consolidated from several aging buildings into two or three buildings. The results of Survey and Design work will determine the scope of the recapitalization and consolidation of the facilities at the Air Station. Once these planning factors are identified, a planning proposal will be developed and reviewed during the Shore Facilities Requirements List planning prioritization process. Completion date of the project is dependent on prioritization, funding, and contract issuance.

Capital Investment Plan

Question: Consistent with last year, the budget includes a one-page Capital Investment Plan (CIP) for fiscal years 2012-2016. The CIP continues to contain no background information or justification; it is just a table reflecting out-year funding requirements for acquisitions, construction and other necessary improvements. I have said this before, the Capital Investment Plan should include supporting documentation outlining the planned uses of requested funding by asset or program. It should note changes from the previous year's Capital Investment Plan or departures from the most recent program baseline, and provide detailed justification for the same. This failure means that we have no insight into whether these changes reflect considered policy decisions or were the result of more arbitrary outside factors. The lack of clarity and transparency in this long-overdue plan is not acceptable. Admiral Papp, with this one-page Capital Investment Plan covering fiscal years 2012-2016, how can you assure me that your acquisition request is valid and fully supported by details we cannot see behind this plan?

ANSWER: Recapitalization of aging ships, boats, aircraft, shore facilities, and Command, Control, Computers, Communications, Intelligence, Surveillance, and Reconnaissance (C4ISR) systems is vital to stem the decline in mission readiness and to meet Coast Guard mission requirements. The out-year funding projections in the FY 2012-2016 Capital Investment Plan (CIP) are planning estimates for funding Coast Guard's recapitalization priorities and are based on the best available information at the time the FY 2012 President's Budget Request was submitted. The FY 2012-2016 CIP continues Department of Homeland Security (DHS) approved Coast Guard acquisition programs including sustainment of ships, boats, shore facilities and C4ISR systems, within preliminary topline funding levels that will be finalized under the DHS Future Years Homeland Security planning process.

As part of the Coast Guard's and DHS' normal planning, programming and budgeting processes, the CIP will be reviewed annually and updated in conjunction with the President's Budget Request. Additional detail regarding each project within the CIP is included in the FY 2012 Budget.

Question: In the future, we need more credibility in the CIP. Can you assure me that next year, with the 2013 budget request, we will receive a CIP that outlines all the planned uses of requested funding by asset or program, notes changes from the previous year's Capital Investment Plan or departures from the most recent program baseline, and provides detailed justification for the same?

ANSWER: The Coast Guard's Capital Investment Plan (CIP) is developed specifically to respond to the associated legislative requirement. The Coast Guard will continue to work with the Congress to provide the information that it requires.

Surge Operations

Question: 2010 was characterized by major surge operations by the Coast Guard, to include responses to the Haiti earthquake and the BP Deepwater Horizon Oil Spill. These surge operations made 2010 an exceptional operational year, and further stressed existing aged and obsolete cutters, boats, aircraft and support infrastructure that are in dire need of recapitalization. Furthermore, these extended surge operations strained workforce readiness due to increases in op-tempo and deferred training. These surge operations highlighted challenges in the Coast Guard's ability to meet expanded, post 9/11 mission requirements and to sustain responses to simultaneous, large scale operations without degrading mission performance in other areas. In fact, Admiral Papp in his February 2011 State of the Coast Guard speech indicated that the agency "may need to reduce the number and range of missions to achieve proficiency in their most needed capabilities" What impact did the two longer term surges have on your equipment and personnel?

ANSWER: The Coast Guard allocates its multi-mission assets to the Nation's highest order needs. In the cases of the operational responses to the Haiti earthquake and Deepwater Horizon Oil Spill, assets were diverted from routine planned mission assignments at the time to provide the initial search and rescue response and long-term mission support for the disasters. Short-term reductions in missions such as drug and migrant interdiction were necessary to surge forces in support of these emergencies. These extended surge operations also result in deferred training and maintenance.

The Supplemental Appropriations Act of 2010 (P.L. 111-212) provided \$50 million in Operating Expenses for the Coast Guard related to expenses for disaster response activities for the Haiti earthquake. The funding provided relief to the Coast Guard for operating and personnel costs expended for the response, and provide funds to reconstitute readiness through increased depot-level maintenance. To date, the Coast Guard has obligated \$33.2 million of those funds and has another \$8.4 million committed for depot-level maintenance needs. Of the \$50 million total appropriated through the supplemental, \$43.7 million will be dedicated to depot-level maintenance.

For the BP Deepwater Horizon Oil Spill, the Coast Guard's direct costs, including supplies purchased for the spill, contractors hired, travel orders, and reservist pay and benefits were reimbursed from the Oil Spill Liability Trust Fund (OSLTF) Emergency Fund and the Fund recovered those costs from the Responsible Party. Consistent with Coast Guard's multimission responsibilities, costs to operate assets diverted from regular operations to the oil spill response were funded by regular appropriations. Due to the unusually long engagement period for response, regular maintenance for some assets was deferred, which could result in higher maintenance costs.

The two incidents described above stressed the Coast Guard Reserve by requiring the extended mobilization of approximately 2,800 selective reservists. The Coast Guard may conduct an involuntary recall of Reservists under Title 14 for a maximum of 120 days within a two-year period, and no more than 60 of these days may fall within a four-month period.

Question: Admiral Papp, what did you mean when you said in your State of the Coast Guard speech that you may need to reduce the number and range of missions? Will you be deploying to fewer disasters?

ANSWER: The Coast Guard's FY 2012 Budget sustains front-line operations, including the Deployable Operations Group, and other maritime security units. The Coast Guard continues to evaluate its mission requirements and type of activities in a post-9/11 environment. Additionally, the Coast Guard will continue to evaluate operational requirements and determine whether changes in capability, capacity, doctrine and training are needed to perform required activities. For example, the Coast Guard has chartered an internal "Stem to Stern Review" of Deployable Specialized Forces (DSF) to, among other things, define how to best utilize and integrate all DSF units into the broader capabilities mix. There may be better, more efficient, and safer ways to perform Coast Guard missions in a post-9/11 environment.

In accordance with sound risk management principles, the Coast Guard will continue to deploy people, platforms, assets and resources to disasters while balancing the required level of service to provide safety, security, and stewardship across all eleven statutory missions.

Question: The Coast Guard Reserves routinely provide support during short-term incidents, like Haiti and Deepwater Horizon. What impact did the relatively long duration surges in rapid succession have on Coast Guard Reservists? Your budget request says that you will work with Congress to address limitations you experienced over the past year with longer duration surges on the Reservists. What specifically do you mean?

ANSWER: The Haitian earthquake and Deepwater Horizon oil spill required the extended mobilization of approximately 2,800 selective reserves (SELRES) personnel. These emergencies, combined with mobilizations for Overseas Contingencies Operations and its subsequent required dwell time constraints, reduced the force available for contingencies such as hurricanes and floods to below 45 percent of the total Coast Guard Reserve. Had it not been for the over 500 SELRES mobilized members for Deepwater Horizon who volunteered to remain on active duty, the Deepwater Horizon event would have reduced the available force to less than 35 percent of reserve strength.

Currently, the Coast Guard may conduct an involuntary recall of Reservists under Title 14 for a maximum of 120 days within a two-year period, and no more than 60 of these days may fall within a four-month period. These constraints can limit the Reserve's ability to respond to events like Deepwater Horizon that last more than four months. The Coast Guard is examining other alternatives and will work with the Administration and Congress to address this limitation.

Maritime Intelligence Fusion Center

Question: The FY2012 budget made no mention of the previous Commandant's effort to decommission the two area commands (Pacific Area and Atlantic Area), and the new Commandant's reversal of that effort. This is in contrast to the FY2011 budget which proposed to consolidate the Pacific and Atlantic Maritime Intelligence Fusion Centers. The original proposal to create a single geographically-dispersed operational command, would save an estimated 12 positions. Please update the Subcommittee on what happened to this proposal. What other changes or impacts were there for reversing the stand down of the two Area Commands, given the late stages of closing them down?

ANSWER: The Coast Guard will achieve the proposed budget savings by realizing efficiencies across the intelligence community resulting in the elimination of 12 Maritime Intelligence Fusion Center (MIFC) and Intelligence related full-time positions; however, the Pacific Area MIFC will be maintained. There were no FY 2012 budget proposals as a result of the decision to maintain two Area commands.

Shore Based Infrastructure and Facilities

Question: The FY2012 budget includes “sizeable” investments in the renovation and restoration of shore facilities. The Acquisition, Construction and Improvements (AC&I) request includes \$193.7 million for various shore-based infrastructures, much of it to fund initial fielding of Deepwater vessels and aircraft. Another \$20 million is for improvements to military housing. The Operating Expenses (OE) request includes \$5 million for depot level repair of aging shore infrastructure. The request represents a starting point to address a critical gap that has resulted in a depot level shore maintenance backlog now exceeding \$600 million. What determines whether infrastructure improvements are funded by AC&I versus OE? Will any of the \$193.7 million in AC&I funding pay down the \$600 million backlog, or can that only be done with OE funding?

ANSWER: The Acquisition, Construction and Improvements (AC&I) versus Operating Expense (OE) funding determination is guided by the policies documented in the Coast Guard Financial Resource Management Manual that provides specific definitions and guidance related to the use of AC&I and OE appropriations. OE is available for the same purposes as the specific AC&I appropriation for shore facilities, but the amount available for the new construction or improvement component of a project may not exceed \$1 million at any location. Maintenance, alteration, and code compliance representing up to 50 percent of the asset’s plant replacement value may be funded by the OE appropriation.

The additional \$5 million requested in 2012 for shore depot level maintenance will be used to address the shore maintenance backlog.

Of the Coast Guard’s \$213.7 million in the Fiscal Year 2012 Shore AC&I request, \$94.5 million will support shore facility infrastructure modifications and construction associated with the delivery of new cutters, boats, and aircraft. The remaining \$119.2 million funds shore facility projects identified in the Shore Facility Requirements List backlog, including \$20 million specifically designated for critical military family housing projects in the backlog.

QUESTIONS FOR THE RECORD SUBMITTED BY

THE HONORABLE Rodney P. Frelinghuysen

Admiral Papp, Commandant of the U.S. Coast Guard

Committee on Appropriations

Subcommittee on Homeland Security

FY 2012 Budget Request – U.S. Coast Guard

March 10, 2011

Iraqi Port Security

Question: Admiral Papp, when will the U.S. Coast Guard hand over its current port and oil platform security in the Persian Gulf to the Iraqi Navy?

ANSWER: The Coast Guard does not have the lead for port and oil platform security in the Persian Gulf. The Coast Guard provides certain capabilities in response to a request for forces (RFF) in support of the U.S. Central Command (CENTCOM). Coast Guard patrol boats, and Port Security Units (PSUs), assigned to Naval Forces Central Command (NAVCENT), are under the Operational Control (OPCON) of CENTCOM. CENTCOM is responsible for the operational and tactical deployment of all its available assets.

In June 2010, CENTCOM updated the RFF requesting Coast Guard patrol boats in support of mission requirements. This is a classified document and is available upon request. Further information regarding Iraqi Navy capabilities and transition plans may be directed to the Department of Defense.

Question: The Coast Guard works with and trains many international navies. How would you characterize the Iraqi Navy in developing its port security capabilities?

ANSWER: The Iraqi Navy is a Ministry of Defense military service, neither tasked nor authorized to secure commercial sea ports; therefore, it is not developing port security capabilities. The Iraqi Navy is tasked to secure offshore oil terminals through execution of patrol vessel and small boat security patrols. The Navy offshore infrastructure security capability is moderate and developing toward full capability.

Question: What has the Coast Guard learned an applied from its port and coastal security experience in the Persian Gulf?

ANSWER: The Coast Guard is at all times a military service and has a proud history of contributing to Department of Defense missions. In particular, the Coast Guard has had forces deployed to U.S. Central Command (CENTCOM) since 2003 in support of overseas contingency operations.

Through our extensive maritime law enforcement operations in support of these missions, the Coast Guard has refined defense readiness proficiencies – including patrolling, operating independently, security boarding operations, escorts, high value unit protection, and military outloads – that are invaluable to the Combatant Commander.

Following the death of a Coast Guardsman in an attack in the Arabian Gulf in April 2004, the Coast Guard made changes to boarding procedures and personal protective equipment to enhance the protection and safety of personnel operating in theater.

Additionally, the Coast Guard has commenced requirements development for the next generation Port Security

COAST GUARD
APB ENCLOSURES 1-12

ENCLOSURE	TITLE
1	IDS
2	NAIS
3	R21
4	H-65
5	MPA
6	C-130H
7	HC=130J
8	RFRC
9	MEC MEP
10	HH-60
11	NSC
12	RB-M

Unit boats. In developing requirements for these boats, the Coast Guard is drawing heavily on lessons learned in the CENTCOM area of responsibility.

Question: What are the Coast Guard's long term requirements in this theater and how do they factor into your current assessment of mission requirements?

ANSWER: The Coast Guard provides certain capabilities in response to a request for forces in support of the U.S. Central Command (CENTCOM). Coast Guard patrol boats, and Port Security Unit (PSU) assigned to Naval Forces Central Command (NAVCENT) are under the Operational Control (OPCON) of CENTCOM. CENTCOM is responsible for the operational and tactical deployment of all its available assets.

In June 2010, CENTCOM updated the RFF requesting Coast Guard patrol boats in support of mission requirements. This is a classified document and is available upon request. The FY 2012 request for Coast Guard overseas contingency operations, requested via the Department of Defense, assumes a consistent level of effort.

Question: What does the Coast Guard know of the Iranian Navy's surface and submarine capabilities?

ANSWER: The Coast Guard is a military service and a member of the national intelligence community; however, the Department of Defense (DoD) has the lead for collecting information on foreign naval services. This question is best directed to the DoD.

U.S. Department of Homeland Security
Washington, D.C. 20528



Homeland
Security

MAY 15 2007

MEMORANDUM FOR: Vice Admiral V.S. Crea
Vice Commandant, U.S. Coast Guard

FROM: Paul A. Schneider
Vice Chair, Investment Review Board

SUBJECT: USCG Deepwater Acquisition Decision Memorandum

The Acquisition Program Baseline (APB) Deepwater Program submitted by the U.S. Coast Guard (USCG) in November 2006 is approved. However, I remain concerned about the cost and schedule of several Deepwater assets, specifically the National Security Cutter (NSC). Therefore, the following action items are to be completed and submitted in accordance with the specified dates.

1. Prior to the commencement of negotiations with the contractor on the proposed settlement of business issues relating to NSC #1 and #2, obtain concurrence of the Deputy Chief Procurement Officer on the Government's negotiation position and strategy.
2. No contract shall be awarded for NSC # 3 until the business issues relating to NSC #1 and # 2 are settled and the contract is modified to incorporate that settlement. The award and settlement actions may be taken concurrently. This requirement does not apply to post-delivery fatigue enhancements for NSC #1 and NSC #2, which may be negotiated separately.
3. Submit an updated cost and schedule estimate for the remaining NSCs within 30 days of completing the Consolidated Contracting Action for NSC 1, 2, and 3.
4. Within 30 days of this memo, provide a recommendation regarding reporting of program breaches at the asset category level.
5. Within 90 days of this memo, provide an updated APB that:
 - a. Aligns with the post-9/11 Deepwater Mission Needs Statement (and its supporting performance gap analysis) and latest update to the Deepwater Implementation plan; and
 - b. Reflects complete and accurate cost and schedule projections for NSC, including the impact of all open issues. These include the "swamp drain", structural/fatigue problems (including both forward fit and retrofit into NSC 1 and 2), the impact of the recent strike, C4ISR cost growth, and any impact of the Navy's LCS-3 termination.

6. Within 180 days of this memo, provide:
 - a. A post-delivery logistics plan for NSCs, including a recommendation regarding potential use of a Performance Based Logistics (PBL) approach; and
 - b. Updated C4ISR cost and schedule estimates
7. With respect to the Fast Response Cutter (FRC) acquisition, the Chief Procurement Officer (CPO) has received the acquisition plan and will be providing comments separately. Nevertheless, USCG is requested to present to the Department a briefing on the FRC-B acquisition strategy, including requirements, schedule, funding, risks and contracting approach. This review shall be coordinated in the Department by the CPO and should take place as expeditiously as possible.

cc:

Deputy Secretary
 DHS Chief Financial Officer
 DHS Chief Information Officer
 DHS Chief Procurement Officer
 DHS Chief Administrative Officer
 Director, Program Analysis and Evaluation, DHS
 Program Executive Officer, Integrated Deepwater System Acquisition, U.S. Coast Guard

U.S. Department of
Homeland Security

United States
Coast Guard



Commandant
United States Coast Guard

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ACTION MEMORANDUM

Memo for: Michael Jackson
Deputy Secretary
From: *G.S. Allen*
Vice Admiral V.S. Crea
Vice Commandant; (202) 372-4422
Subj: APPROVAL OF DEEPWATER ACQUISITION PROGRAM BASELINE

NOV 07 2006

2006 NOV -7 PM 12:49

Purpose:

Submission of the Deepwater Acquisition Program Baseline (APB) Version 1.1 for your approval as the Chair of the DHS Investment Review Board.

Discussion:

Baseline Cost, Schedule, and Performance criteria at the Threshold and Objective Levels have been provided as requested. At the Deepwater Program level, the APB summary is:

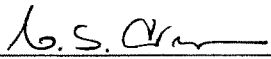
Cost – \$24,230M in AC&I
Schedule – Funding through 2025
Buildout completed 2027
Performance – Criteria specified in APB for Mission, System, & Components

As requested by your PA&E staff, NSC, OPC and FRC costs were updated to reflect current budget estimates; however, we still applied the OMB-specified 1.85% inflation planning factor over the 25-year plan. All increased costs were funded by budget offsets from other Deepwater components. These were difficult and challenging choices, and I am seriously concerned that annual tradeoffs forced by the realized differences between projected and actual inflation, as well as enacted funding levels differing from the President's Budget, could soon drive crucially-needed Coast Guard capabilities out of the Deepwater project. I have raised my concerns with Admiral Allen; we would like to meet with you at your convenience for an executive level discussion on how to address strategically these significant challenges and best proceed in out-year budgets.

This APB represents a total project cost increase from \$24,045M, as reflected in the May 2005 Revised Deepwater Implementation Plan, to \$24,230M. This increase is due to two factors beyond the scope of the Deepwater Post 9/11 Implementation Plan. The first was the \$123M increase in NSC costs that resulted from the Gulf Coast Hurricanes, which was the amount Congress funded in a 2006 supplemental appropriation. The second is an additional \$62M to fund Multi-Mission Cutter Helicopters (MCHs) upgrades for the seven additional HH-65 aircraft to be added to the service's inventory to support the National Capital Region Air Defense mission, recently assumed by the Coast Guard.

Acquisition Program Baseline (APB)
For
INTEGRATED DEEPWATER SYSTEM

Submitted by:  03 Nov 2006
Program Executive Officer Date

Endorsed by:  03 Nov 2006
USCG Agency Acquisition Executive Date

Acquisition Decision Memo Approval Received: _____
Date

Revision Summary:

Version	Change	Effective Date
Version 1.0	Coast Guard Agency Acquisition Approved Version	30 November 2005
Version 1.1	Updated to align with FY08 OMB Stage Budget Submission	__ November 2006

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1. Background:

a. The Coast Guard revised the Deepwater Mission Need Statement (MNS) based on the transfer of the Service to the Department of Homeland Security (DHS), the passage of the Maritime Transportation Security Act of 2004, and new threats to the nation post 9/11. When aggregated, these events increased Coast Guard mission emphasis on homeland security and counterterrorism. The MNS revision also included new requirements that were approved by the DHS Deputy Secretary, who is the Chair of the Investment Review Board (IRB) and documented in a Memoranda dated 20 April 2005. With the acceptance of new requirements, the Integrated Deepwater System (IDS) has developed an Acquisition Program Baseline (APB) to account for these approved changes.

b. The purpose of the Acquisition Program Baseline is to establish quantified baselines for cost, schedule, and performance measurement through the end of the IDS program. The DHS IRB approval of the IDS MNS established top level performance, cost, and schedule threshold and objective parameters to which the IDS Program Executive Officer (PEO) must manage the acquisition. Based on the integrated system of systems construct, the APB was originally developed at the system level and allocated to the major assets within the system.

(1) Given the significance of the performance of all components of the Integrated Deepwater System, supporting appendices are included which contain asset class level cost, schedule, and performance data for the following components, or class of asset, and integration and oversight. Surface, Air, and C4ISR categories each include a summary section in which contributing components are discussed and estimated collectively and individually, with summary cost estimates for major performance components in that category. The integration and oversight category is a collection of contributing components that cut horizontally across the other three categories. This category includes systems engineering and integration, government program management, technology obsolescence prevention, logistics, and infrastructure upgrades.

(a) Air

1. Long Range Surveillance (LRS) Aircraft
2. Medium Range Surveillance (MRS) Aircraft
3. Medium Range Recovery (MRR) Aircraft
4. Multi-Mission Cutter Helicopter (MCH)
5. Vertical Takeoff and Landing Unmanned Air Vehicle (VUAV)

(b) Surface

1. National Security Cutter (NSC)
2. Offshore Patrol Cutter (OPC)
3. Fast Response Cutter (FRC) 'A Class'
4. Fast Response Cutter (FRC) 'B Class'
5. Medium Endurance Cutter (MEC) Mission Effectiveness Project (MEP)
6. Patrol Boat (PB) MEP

(c) Command, Control, Computers, Communications, Intelligence, Surveillance, and Reconnaissance (C4ISR) Common Operational Picture (COP)**(d) Integration and Oversight**

(2) The IDS APB is based upon the Coast Guard's FY08 Office of Management and Budget (OMB) Stage Budget Submission.

2. APB Definitions:

a. **Cost.** The cost dimension of the IDS APB is represented by the total amount of Acquisition, Construction and Improvement (AC&I) funding necessary to fully build-out the IDS. Cost is further broken down into four major categories; surface, air, C4ISR, and integration/oversight and the major performance components, or class of asset, in these categories as described above. A Life Cycle Cost Estimate (LCCE) is defined for each major performance component as the total cost of the program or project, including operations and maintenance/support. This depiction is consistent with the capitalization methodology used to record the IDS assets in the Coast Guard financial statements as these costs are allocated to the individual assets

b. **Performance.** The performance of the Deepwater System is measured and managed at the mission, system and asset class levels. These measures will document system performance when the Integrated Deepwater System is fully built out in 2026. Within the supporting appendices, threshold and objective key performance parameters (KPPs) are provided. Managing and attaining the KPPs ensures the asset will make the necessary performance contribution to attain the required system performance.

c. **Schedule.** The schedule baseline depicts asset delivery on a fiscal year basis through build-out of the system. This schedule is aligned with currently known funding requirements and previous fiscal year appropriations; any changes in future funding or rescission of previous year appropriations will necessitate a review of this schedule. Within the supporting appendices, key schedule milestones are provided. Managing and attaining these milestones ensures the asset will be delivered in accordance with the schedule baseline.

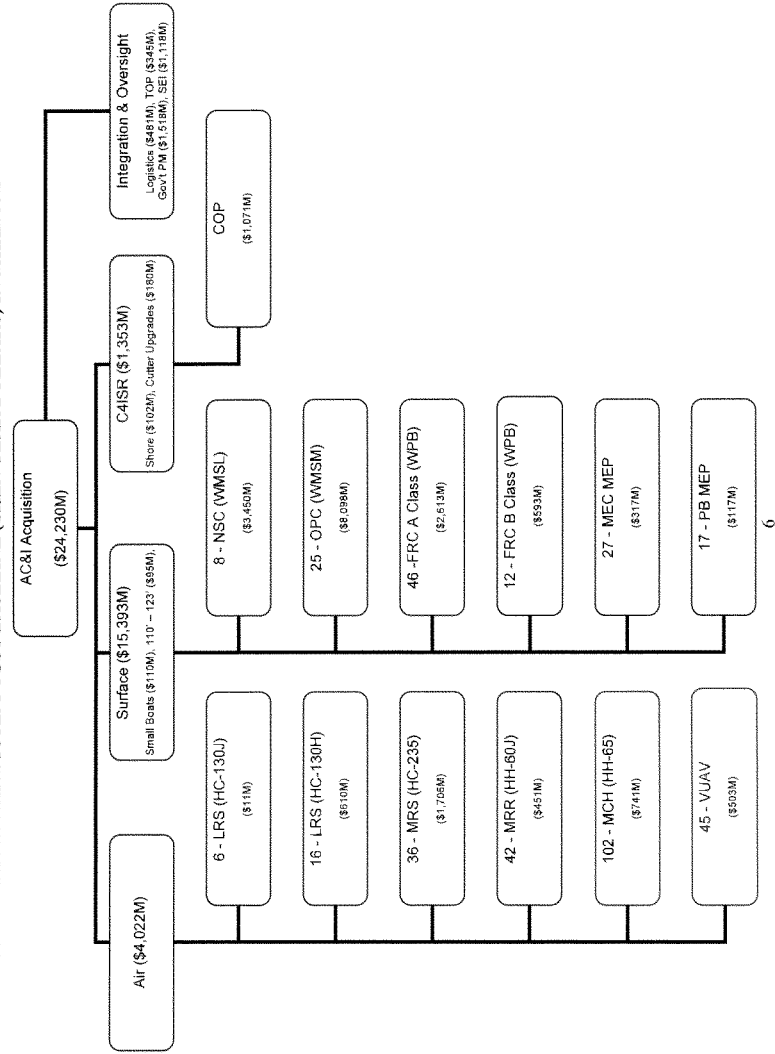
3. APB Revisions:

a. **Update.** The performance, cost, and schedule parameters are tied to an implementation plan and associated funding plan. The APB will be revised for appropriations that deviate from the funding plan, Congressional direction, an approved requirements change, or other environmental change beyond the control of the Program Executive Officer (an example is Hurricane Katrina). It is anticipated that there will be an annual update to the APB within 120 days of the enactment of the DHS annual Appropriations Bill if different from the President's Budget.

b. **Breach.** The APB will be revised for a performance, cost or schedule breach in accordance with the table below. Notifications and plans will be developed and submitted in accordance with the DHS Acquisition Program Baseline Instruction.

Key Parameter	Breach
Performance	Any Mission, System or Asset Class performance parameters not met or are anticipated to fail to meet the threshold Key Performance Parameter
Cost	Total System or Asset Class AC&I Cost increases exceeding 8%
Schedule	Any System Schedule Baseline or Asset Class Key Schedule Parameter slip by more than 180 days

4. INTEGRATED DEEPWATER SYSTEM COST BASELINE (THEN YEAR DOLLARS) IN MILLIONS



5. Integrated Deepwater System Performance Baseline

a. Mission Level Performance Parameters. The mission level performance metric may be decomposed into the various Coast Guard missions in which Deepwater assets participate. The baseline mission performance was generated by actual legacy Deepwater mission performance in FY 2002 as reported in the Coast Guard's Annual Report. Ports, Waterways, and Coastal Security (PWCS) emerged as a mission performance metric with the enactment of the Homeland Security Act of 2002. PWCS was incorporated as a Deepwater mission following the completion of the Performance Gap Analysis (PGA) and inclusion of this mission in the Post 9/11 Mission Needs Statement (MNS). The measure for the PWCS mission is under development and is expected to be available in June 2007.

Mission Level Performance Metric	Threshold	Objective
Search And Rescue - % Lives Saved after CG Notification	92.4%	93%
Counter Drug - % of Cocaine Shipped through Transit Zone that is Seized	5.7%	6.5%
Alien Migration Interdiction Operations (Interdictions) - % Total Migrant Flow Interdicted	32%	32%
Foreign Fishing Vessel Incursions - % of Foreign Fishing Vessels Detected in US EEZ that are Interdicted	1.6%	6.7%
Living Marine Resources - % of LMR Law Enforcement Boardings without Significant Violations	95.3%	97%
National Defense/Military Readiness – Combined % of SORTS Readiness (C2 or better) of WHEC/WPB to support DoD Requirements	91.8%	100%
International Ice Patrol/Limits of All Known Ice – Accuracy of Last Area of Known Ice Broadcasts	95%	98%
Ports, Waterways and Coastal Security – Ports, Waterways, and Coastal Security measure is approved by DHS and was incorporated into Deepwater program during FY2005.	TBD	TBD

b. System Level Performance Parameters. System level performance metrics may be subdivided into a performance and a cost component. The performance and cost components are measured by the following:

- Available mission hours. Available Mission Hours are defined as the hours by category of asset (surface vessels and air assets) at build out on an Annual Basis. The objective represents the mission hours in 2026. Annual comparisons are included in Charts 1 through 3.
- Surveillance of nautical square miles (nm²). Surveillance of Nautical Square Miles is defined as the number of square miles that the system can surveil or search during a period of time. The objective is calculated using an NSC with an embarked MCH and two embarked VUAVs.
- System task sequence (Surveillance, Detection, Classification, Identification, and Prosecution – SDCIP). The System Task Sequence describes overall system activity for the current system and the fully built out system. The Coast Guard complements actual measures with output from a variety of modeling tools to predict Deepwater System performance in terms of the system task sequence. These tools predict system level of effort (operational hours or days), operational presence (such as square miles of ocean surveilled) or can simulate performance outcomes. As assets are delivered to the field, the Coast Guard measures actual performance and uses this information to adjust project plans and improve performance models. One such modeling tool that exemplifies the use of models in measurement of Deepwater system level performance is the Center for

Naval Analyses Independent Deepwater System Asset Assessment Tool (CIAAT) model. CIAAT is a presence level model that projects the impact of an asset and its capabilities presence within the Deepwater System. The objective represents the SDCIP performance in 2026. Annual comparisons are included in Charts 4 through 6.

- Total ownership cost at the system level. An estimate of the entire lifecycle cost of the program or project, including operations and maintenance/support.

(1) AVAILABLE MISSION HOURS ⁽¹⁾.

Asset Category	Threshold Annual Hours	Objective Annual Hours
Surface Vessels ⁽²⁾	265,572	305,000
Air Assets ⁽³⁾	100,685	140,000
Totals	366,257	445,000

(1) Represents the total asset class mission hours when the asset is fully fielded.

(2) The Vertical Take Off and Landing Unmanned Aerial Vehicle (VUAV) is not included as an independent air asset since it will only operate as part of a force package on the National Security Cutter (NSC) and Offshore Patrol Cutter.

(3) The air asset category also includes the High Altitude High Endurance UAV that will be coming on line in 2016.

(2) SURVEILLANCE OF NAUTICAL SQUARE MILES.

Force Package/Asset	Threshold Square NM	Objective Square NM
NSC Force Package	13,489	56,000

(3) SYSTEM TASK SEQUENCE (SDCIP).

System Task Sequence	CIAAT	Threshold Square Nautical Miles per Day	Objective Square Nautical Miles per Day
Surveillance	Search ¹	1,101,593	2,500,000
Detect			
Classify	Identify ²	500,182	1,300,000
Identify			
Prosecute	Patrol ³	351,583	850,000

1. Search – the area the System's air and surface assets can search in a day.

2. Identify – the area the System's air and surface assets can search in a day, assuming they identify each target they detect.

3. Patrol – the area over which the System's air and surface assets can detect, identify and board targets areas.

**(4) TOTAL OWNERSHIP COST (TOC).
SYSTEM LEVEL TOC (as of 30 June 2006)**

Key Parameter	Cost Baseline (\$ Billions, Then Year)
AC&I Acquisition ⁽¹⁾	\$24.2
AC&I Funded Billets ⁽²⁾	\$5.6
AC&I Technology Obsolescence Prevention ⁽³⁾	\$16.5
Operating Expenses	\$258.1
IDS Total Ownership Cost	\$304.4

1. AC&I Acquisitions costs represent costs from FY 2002 to system build-out in FY 2026.

2. AC&I Billets include projected Government PM staff from FY 2002 to build-out in FY 2026, and the management of the O&S portion of the fully built-out system from FY 2027 to FY 2041.

3. Additional Technology Obsolescence Prevention costs after system build out from FY 2027 to FY 2041.

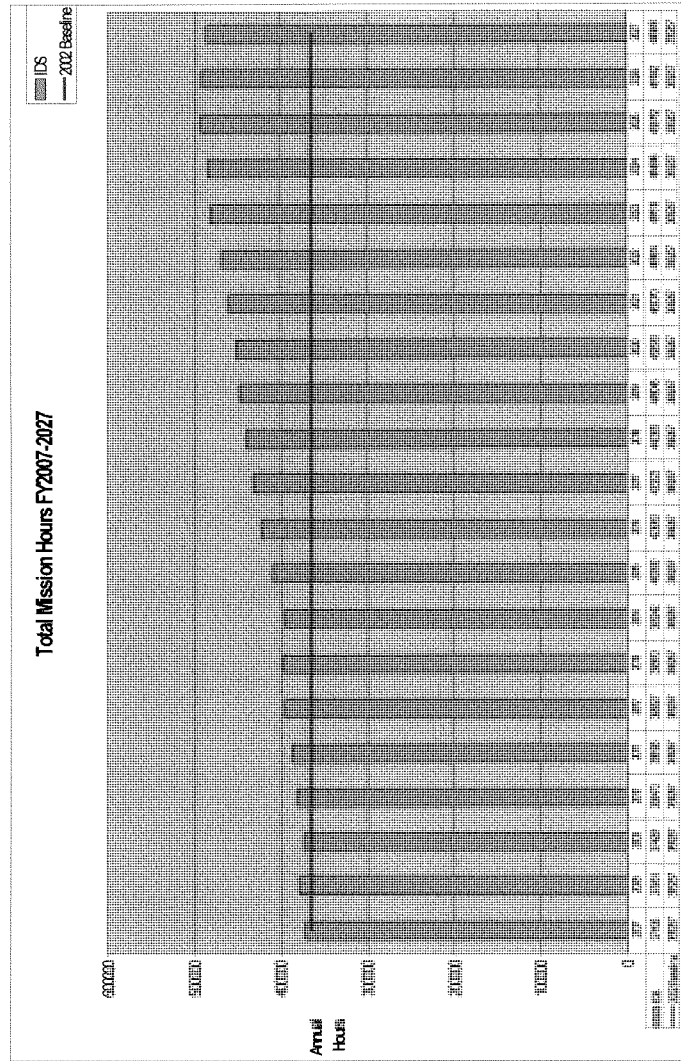


Chart 1

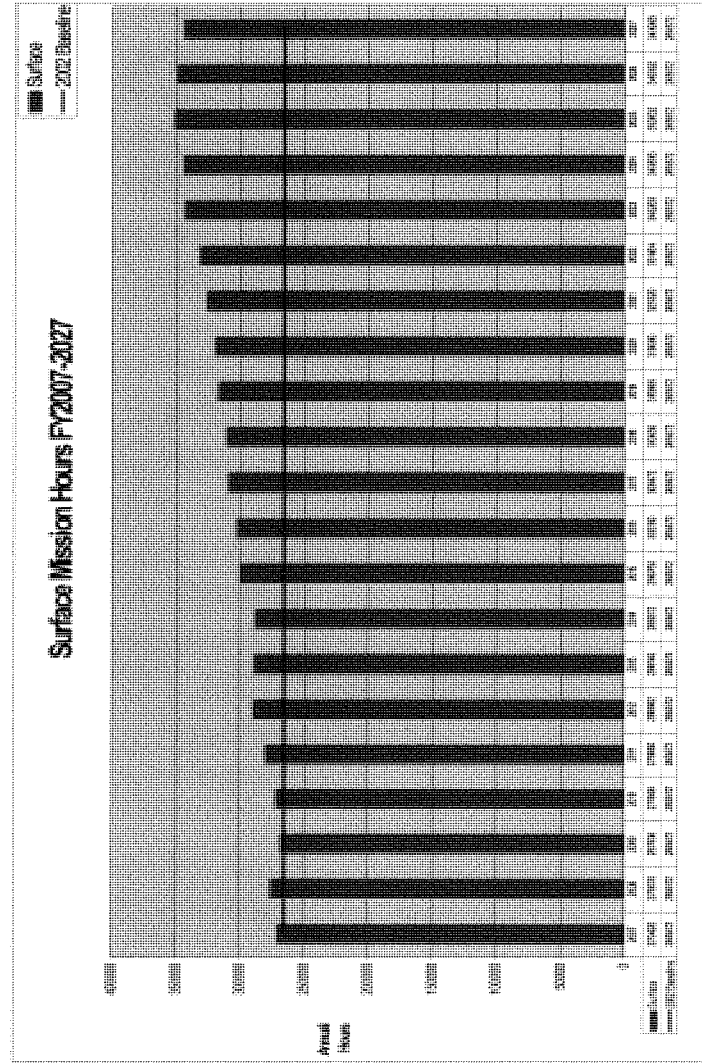


Chart 2

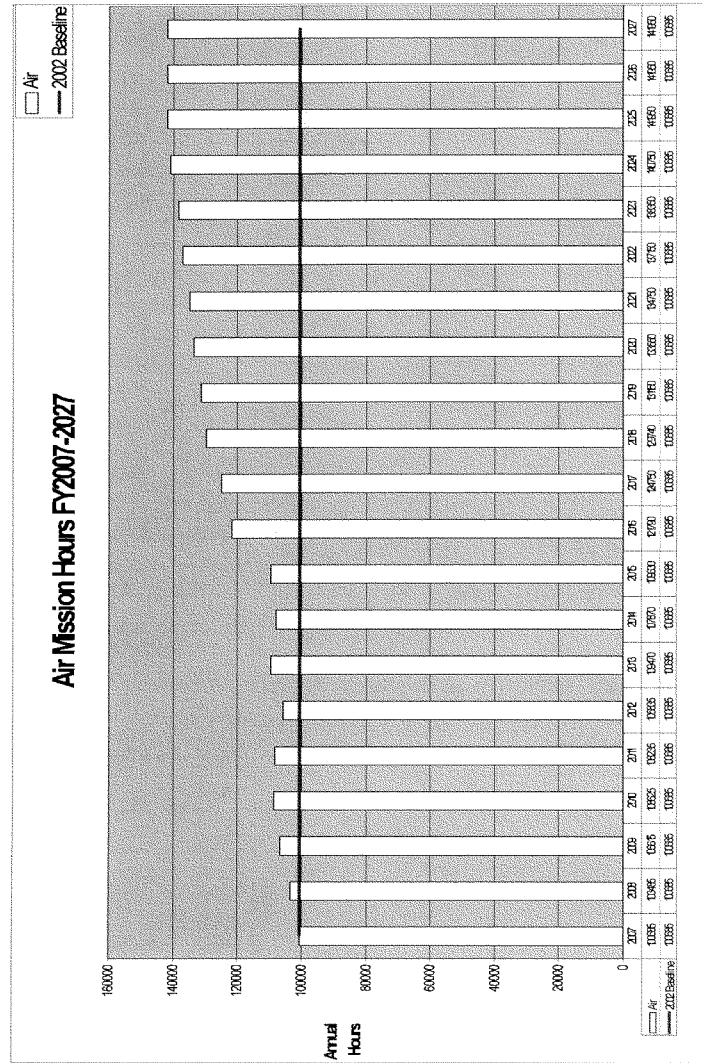


Chart 3

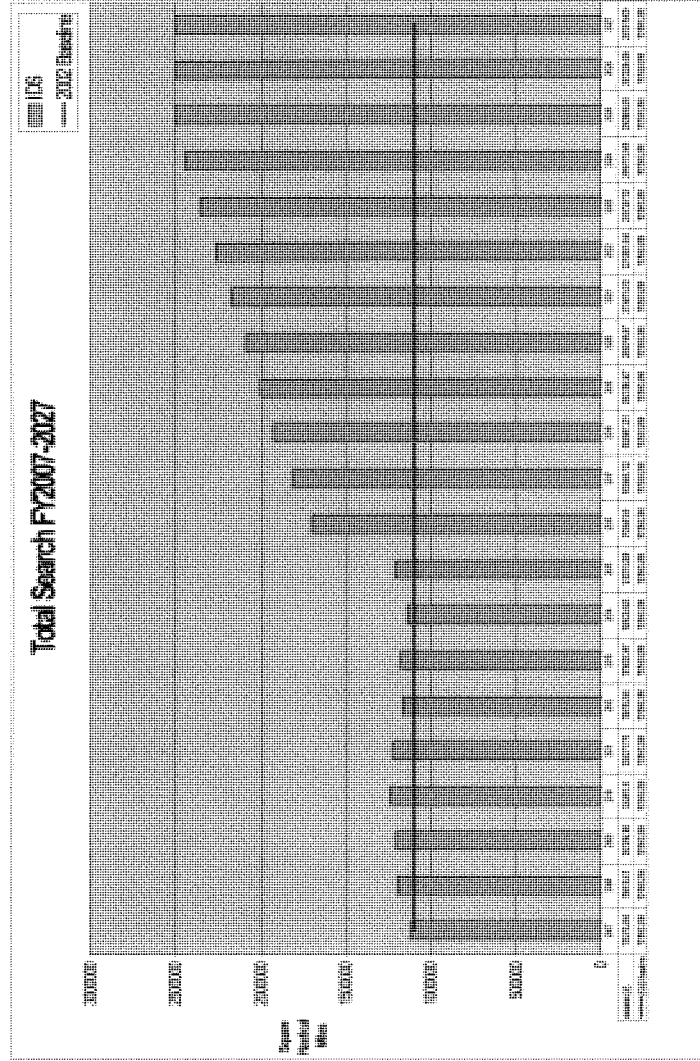


Chart 4

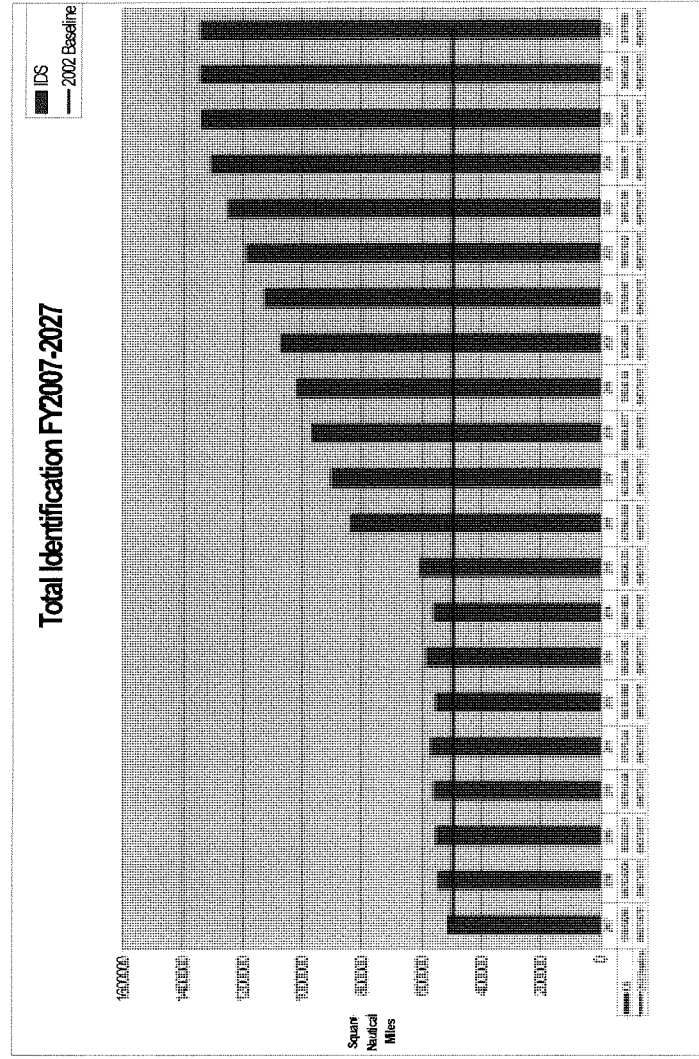


Chart 5

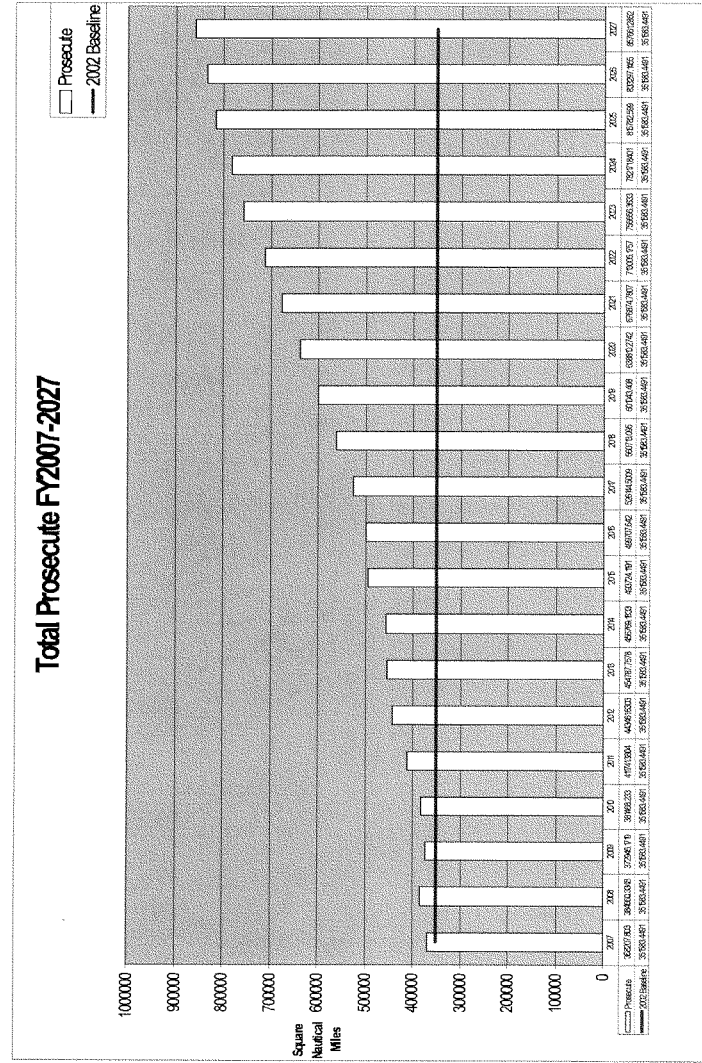


Chart 6

6. INTEGRATED DEEPWATER SYSTEM SCHEDULE BASELINE¹

AIR FORCE AND NAVY WATER DISTRICT SCHEDULE OF DRAINAGE																								
Date		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027		
Yr #		6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	
		Legacy																						
Surface	378'	12	12	11	10	9	8	6	5	4	2	0	0	0	0	0	0	0	0	0	0	0	0	
	282'	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
	270'	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	12	9	7	4	0	0	
	230'	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	213'	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	210'	14	14	14	14	14	14	14	14	14	14	14	14	11	8	5	3	0	0	0	0	0	0	
	110'	41	41	41	41	40	37	32	28	26	22	18	14	10	6	2	0	0	0	0	0	0	0	
	Proposed																							
	123'	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	7	3	0	0	0	0	
	SRP	9	11	12	14	17	20	23	30	35	40	46	52	58	64	70	76	81	83	86	88	91		
	LRI	1	2	3	4	5	6	7	8	9	10	12	14	16	18	20	22	24	26	28	30	33		
	NSC	1	2	2	3	4	5	6	7	8	8	8	8	8	8	8	8	8	8	8	8	8		
	OPC	0	0	0	0	0	0	0	0	0	1	2	4	6	8	10	12	14	16	18	20	22		
	FRC A	0	0	0	0	0	0	1	1	3	6	10	14	18	22	26	30	34	38	42	46	46		
	FRC B	0	0	0	0	1	4	8	12	12	12	12	12	12	12	12	12	12	12	12	12	12		
	Aviation	Legacy																						
HC-130H		27	27	23	22	20	17	14	11	6	1	0	0	0	0	0	0	0	0	0	0	0	0	
HH-60J		42	42	42	42	42	41	41	33	25	17	9	0	0	0	0	0	0	0	0	0	0	0	
HH-65		95	95	74	52	30	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
HU-25		20	20	18	9	9	6	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Proposed																								
HC-130J		0	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	
MPA		0	3	7	13	13	13	13	15	17	21	21	24	27	30	33	36	36	36	36	36	36	36	36
HH-60J Conversion		0	0	0	0	0	0	0	1	1	9	17	25	33	42	42	42	42	42	42	42	42	42	42
MCH Conversion		0	0	6	28	50	72	94	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102
VJAV		0	1	1	1	1	2	2	2	5	9	13	17	21	25	29	33	37	41	45	45	45	45	45
HAEUAV		0	0	0	0	0	0	0	0	0	4	4	4	4	4	4	4	4	4	4	4	4	4	4
HC-130H Conversion		0	0	0	0	1	4	7	10	13	16	16	16	16	16	16	16	16	16	16	16	16	16	16

1. Schedule based on the funding requested in the Coast Guard FY08 OMB Stage Budget Submission. The values represent the total number of assets in each class at the end of the calendar year, not fiscal year.

7. AVIATION

Aviation is focused on delivering the aviation asset capabilities required to meet the mission and system performance objectives. As such, aviation focuses on the total aviation asset contribution, the characteristics of these aviation assets, and the costs of acquiring these aviation assets by asset class. Aviation accounts for \$4,022 Million of the Deepwater AC&I Cost Baseline and consists of both contributing components and those aviation assets which provide a significant contribution to mission and system performance objectives.

Contributing Component Summary

The Aviation Use of Force (AUF) Project was previously categorized separately from the Deepwater Program and was integrated into the Deepwater Program. Therefore, the cost associated with this project of \$93 Million is not included in the Deepwater AC&I Cost Baseline. In addition, AUF and Covert Surveillance A/C are not included since these projects are outside of the DW APB scope.

Major Performance Component Summary

The following table lists those aviation asset classes that provide a significant contribution to mission and system performance objectives, their capabilities, and the total number of these assets in the Integrated Deepwater System.

Asset	Capabilities	Fleet Size
Long Range Surveillance (LRS) Aircraft	DHS/DOD/R21 Interoperability CG COP Connectivity Integrated Electro-Optical/Infrared System CBRNE ¹ Detection Multi Mode Radar Nation-wide DHS Strategic Lift	6 - HC-130J 16 - HC-130H
Medium Range Surveillance (MRS) Aircraft	DHS/DOD/R21 Interoperability CG COP Connectivity Integrated Electro-Optical/Infrared System CBRNE Detection Multi Mode Radar	36
Medium Range Recovery (MRR) Aircraft	DHS/DOD/R21 Interoperability CG COP Connectivity Integrated Electro-Optical/Infrared System CBRNE Detection Multi Mode Radar Airborne Use of Force Vertical Insertion/Delivery	42
Multi-Mission Cutter Helicopter (MCH)	DHS/DOD/R21 Interoperability CG COP Connectivity CBRNE Detection Multi Mode Radar Airborne Use of Force Vertical Insertion/Delivery	102
Vertical Takeoff and Landing Unmanned Air Vehicle (VUAV)	Integrated Electro-Optical/Infrared System Multi Mode Radar CGC COP Connectivity	45

¹ Chemical, Biological, Radiological, Nuclear, Explosive (CBRNE)

The following sections provide the performance, cost and schedule data for each asset identified above that provides a significant contribution to system performance.

a. LONG RANGE SURVEILLANCE (LRS) AIRCRAFT (HC-130J)

The Lockheed HC-130 is the Coast Guard's long-range surveillance aircraft, with both the HC-130J and the HC-130H versions. Specifically, the HC-130J is a four-engine turbo-prop aircraft with improved interoperability, C4ISR, COP and sensors to enhance surveillance, detection, classification, identification and prosecution. The aircraft will operate worldwide within the range of its performance parameters in civilian and military airspace in support of Congressionally-mandated missions.

(1) LRS (HC-130J) INVESTMENT PERFORMANCE

Key Performance Parameters

Performance Phase: SD&D P&D	Baseline 30 June 2006		Revision #1	
Key Parameter	Threshold	Objective	Threshold	Objective
High Altitude Patrol Speed ⁽¹⁾ (Knots)	245			
Low Altitude Patrol Speed ⁽¹⁾ (Knots)	245			
Detection Range ^(1, 2, 3) (NM)	50.0			
Interoperability	Integration of mission system shall provide a user interface in accordance with the Common Operating Environment User Interface specification & shall provide support for multi-asset unit coordination.			
Operational Availability (A ₀)	Integration of mission system will not degrade existing overall aircraft system availability (0.71)	0.85		

1. Based on CIAAT Baseline Asset Characteristics used to develop System Task Sequence (SDCIP) KPPs.

2. In Medium Sea State

3. Based on a specific Height of Eye, a medium size target, clear weather, and 90% Probability of Detection.

Technical Performance Measurement

Design Reviews are being used to monitor technical performance and are reported in accordance with DHS periodic reporting requirements.

(2) LRS (HC-130J) INVESTMENT COST**Key Cost Performance Parameters**

Cost (Then Year \$)	Baseline	Revision #1
Current Phase: SD&D P&D	30 June 2006	
Total Acquisition Cost	\$11M ⁽¹⁾	
Quantities	6	
Life-Cycle Cost Estimate	\$6,551M	
Useful Life	30 Years	

1. For the design and installation of the mission system only. Does not include acquisition or operating costs of the aircraft.

Cost Performance Measurements

Earned Value Management is being used to monitor cost performance and is reported in accordance with DHS periodic reporting requirements.

(3) LRS (HC-130J) INVESTMENT SCHEDULE**Key Schedule Parameters**

Schedule	Baseline	Revision #1
Phase: SD&D P&D	30 June 2006	
Delivery Task Order (DTO) Start	9/05	
DTO Complete	1QFY09	
Systems Requirements Specs (SRR)	08/05	
Preliminary Design Review (PDR)	02/06	
Critical Design Review (CDR)	11/06	
1 st Aircraft delivered	1QFY08	
Operational Testing & Evaluation (OT&E) Start	1QFY08	
OT&E complete/Initial Operational Capability (IOC)	2QFY08	
Last Aircraft delivered/Full Operational Capability (FOC)	1QFY09	

Schedule Performance Measurement

The Integrated Master Schedule (IMS) in the contract is being used to monitor schedule performance and is reported in accordance with DHS periodic reporting requirements.

b. LONG RANGE SURVEILLANCE (LRS) AIRCRAFT (HC-130H)

The Lockheed HC-130H is the other Coast Guard long-range surveillance aircraft. This four-engine turbo-prop aircraft with improved interoperability, C4ISR, COP and sensors will enhance surveillance, detection, classification, identification and prosecution. The aircraft will operate

worldwide within the range of its performance parameters in civilian and military airspace in support of Congressionally-mandated missions.

(1) LRS (HC-130H) INVESTMENT PERFORMANCE

Key Performance Parameters

Performance Phase: C&TD	Baseline 30 June 2006		Revision #1	
Key Parameter	Threshold	Objective	Threshold	Objective
High Altitude Patrol Speed ⁽¹⁾ (Knots)	237			
Low Altitude Patrol Speed ⁽¹⁾ (Knots)	235			
Detection Range ^(1, 2, 3) (NM)	50.0			
Interoperability	Integration of mission system shall provide a user interface in accordance with the Common Operating Environment User Interface specification & shall provide support for multi-asset unit coordination.			
Operational Availability (A ₀)	Integration of mission system will not degrade existing overall aircraft system availability (0.71)	0.85		

1. Based on CIAAT Baseline Asset Characteristics used to develop System Task Sequence (SDCIP) KPPs.
2. In Medium Sea State
3. Based on a specified Height of Eye, a medium size target, clear weather, and 90% Probability of Detection.

Technical Performance Measurement

Design Reviews are being used to monitor technical performance and are reported in accordance with DHS periodic reporting requirements.

(2) LRS (HC-130H) INVESTMENT COST

Key Cost Performance Parameters

Cost (Then Year \$)	Baseline	Revision #1
Current Phase: C&TD	30 June 2006	
Total Acquisition Cost	\$610M ⁽¹⁾	
Quantities	16	
Life-Cycle Cost Estimate	\$16,582M	
Useful Life	20 Years	

1. For the design and installation of the IDS Conversion systems and other enhancement & sustainment projects only. Current aircraft operating expenses are unchanged.

Cost Performance Measurements

Earned Value Management is being used to monitor cost performance and is reported in accordance with DHS periodic reporting requirements.

(3) LRS (HC-130H) INVESTMENT SCHEDULE

Key Schedule Parameters

Schedule	Baseline	Revision #1
Phase: C&TD	30 June 2006	
Search Radar		
Design Start	11/05	
Design End	08/06	
First Article	1QFY07	
OT&E Start	2QFY07	
OT&E End / IOC	3QFY07	
Last Article / FOC	1QFY10	
Avionics		
Design Start	1QFY09	
Design End	3QFY09	
First Article	4QFY09	
OT&E Start	FY10	
OT&E End / IOC	FY10	
Last Article / FOC	FY12	
CI30 Post 9/11 Mission Need Statement Capabilities		
Design Start	FY11	
Design End	FY11	
First Article	FY12	
OT&E Start	FY12	
OT&E End / IOC	FY13	
Last Article / FOC	FY17	

Schedule Performance Measurement

The Integrated Master Schedule (IMS) in the contract is being used to monitor schedule performance and is reported in accordance with DHS periodic reporting requirements.

c. MEDIUM RANGE SURVEILLANCE (MRS) AIRCRAFT

The CASA CN-235 300M MRS aircraft will have improved interoperability, C4ISR, COP and sensors that will enhance surveillance, detection, classification, identification and prosecution. The aircraft will operate worldwide within the range of its performance parameters in civilian and military airspace in support of Congressionally-mandated missions.

(1) MRS INVESTMENT PERFORMANCE

Key Performance Parameters

Performance Phase: SD&D	Baseline 30 June 2006		Revision #1	
Key Parameter	Threshold	Objective	Threshold	Objective
High Altitude Patrol Speed ⁽¹⁾ (Knots)	184			
Low Altitude Patrol Speed ⁽¹⁾ (Knots)	180			
Detection Range ^(1, 2, 3) (NM)	50.0			
Radius	Arrive on-scene to support SAR missions ⁽⁴⁾ at a range of 300nm within 90 minutes.			
Endurance	Arrive on-station configured to support Surveillance ⁽⁵⁾ missions without refueling. Have an on-station endurance of 4.7 hrs.	Arrive on-station configured to support Surveillance ⁽⁵⁾ missions without refueling. Have an on-station endurance of 5.5 hrs.		
Operational Availability (A _o)	0.80	0.90		

1. Based on CIAAT Baseline Asset Characteristics used to develop System Task Sequence (SDCIP) KPPs.
2. In Medium Sea State
3. Based on a specific Height of Eye, a medium size target, clear weather, and 90% Probability of Detection.
4. SAR Mission Configuration includes the Mission System Pallet, standard SAR equipments and a crew of six (6).
5. Surveillance Mission Configuration includes the Mission System Pallet and a crew of five (5).

Technical Performance Measurement

Design Reviews are being used to monitor technical performance and are reported in accordance with DHS periodic reporting requirements.

(2) MRS INVESTMENT COST**Key Cost Performance Parameters**

Cost (Then Year \$)	Baseline	Revision #1
Current Phase: SD&D	30 June 2006	
Total Acquisition Cost	\$1,706M	
Quantities	36	
Life-Cycle Cost Estimate	\$22,773M	
Useful Life	40 Years	

Cost Performance Measurements

Earned Value Management is being used to monitor cost performance and is reported in accordance with DHS periodic reporting requirements.

(3) MRS INVESTMENT SCHEDULE**Key Schedule Parameters**

Schedule	Baseline	Revision #1
Phase: SD&D	30 June 2006	
PDR	12/04	
CDR	06/05	
Production Readiness Review (PRR)	02/06	
Test Readiness Review (TRR)	02/06	
OT&E Start	3QFY07	
OT&E Completion/IOC	1QFY08	
Lead Asset Delivery	4QFY08	
Final Asset Delivery/FOC	FY16	

Schedule Performance Measurement

The Integrated Master Schedule (IMS) in the contract is being used to monitor schedule performance and is reported in accordance with DHS periodic reporting requirements.

d. MEDIUM RANGE RECOVERY (MRR) AIRCRAFT

The Sikorsky HH-60J Jayhawk medium-range recovery helicopter will have improved interoperability, C4ISR, COP and sensors that enhance surveillance, detection, classification, identification and prosecution. The aircraft will operate worldwide within the range of its performance parameters in civilian and military airspace in support of ten Congressionally-mandated missions.

(1). MRR INVESTMENT PERFORMANCE**Key Performance Parameters**

Performance	Baseline		Revision #1	
Phase: C&TD	30 June 2006			
Key Parameter	Threshold	Objective	Threshold	Objective
High Altitude Patrol Speed ⁽¹⁾ (Knots)	130			
Low Altitude Patrol Speed ⁽¹⁾ (Knots)	130			
Detection Range ^(1, 2, 3) (NM)	7.7			
Interoperability	Integration of mission system shall provide a user interface in accordance with the Common Operating Environment User Interface specification			
Operational Availability (A ₀)	Enhancement & sustainment projects will not degrade existing overall aircraft system availability (0.71)	0.85		

1. Based on CIAAT Baseline Asset Characteristics used to develop System Task Sequence (SDCIP) KPPs.

2. In Medium Sea State

3. Based on a specific Height of Eye, a medium size target, clear weather, and 90% Probability of Detection.

Technical Performance Measurement

Design Reviews are being used to monitor technical performance and are reported in accordance with DHS periodic reporting requirements.

(2). MRR INVESTMENT COST**Key Cost Performance Parameters**

Cost (Then Year \$)	Baseline	Revision #1
Current Phase: C&TD	30 June 2006	
Total Acquisition Cost	\$451M ⁽¹⁾	
Quantities	42	
Life-Cycle Cost Estimate	\$26,075M	
Useful Life	30 Years	

1. For the design and installation of the IDS Conversion systems and other enhancement & sustainment projects. Current aircraft operating expenses are unchanged.

Cost Performance Measurements

Earned Value Management is being used to monitor cost performance and is reported in accordance with DHS periodic reporting requirements.

(3). MRR INVESTMENT SCHEDULE**Key Schedule Parameters**

Schedule	Baseline	Revision #1
Phase: C&TD	30 June 2006	
Avionics		
Design Start	03/05	
Design End	10/06	
First Article	3QFY07	
OT&E Start	4QFY07	
OT&E End / IOC	3QFY08	
Last Article / FOC	FY12	
SLEP		
Design Start	07/06	
Design End	09/06	
First Article	11/06	
Last Article / FOC	FY11	
Radar		
Design Start	4QFY06	
Design End	2QFY07	
First Article	4QFY07	
OT&E Start	1QFY08	
OT&E End / IOC	2QFY08	
Last Article / FOC	FY12	
Engine Sustainment		
First Article	3QFY07	
Last Article / FOC	FY12	
MNS Cockpit Upgrade		
Design Start	FY13	
Design End	FY14	
First Article	FY14	
OT&E Start	FY14	

Schedule	Baseline	Revision #1
Phase: C&TD	30 June 2006	
OT&E End / IOC	FY14	
Last Article / FOC	FY19	
Fleet Replacement		
Design Start	2QFY08	
First Article	1QFY09	
OT&E Start	2QFY09	
OT&E End / IOC	2QFY09	
Last Article / FOC	3QFY09	

Schedule Performance Measurement

The Integrated Master Schedule (IMS) in the contract is being used to monitor schedule performance and is reported in accordance with DHS periodic reporting requirements.

e. MULTI-MISSION CUTTER HELICOPTER (MCH) AIRCRAFT

The American Eurocopter HH-65 Dolphin short-range recovery helicopter will have improved interoperability, C4ISR, COP and sensors that enhance surveillance, detection, classification, identification and prosecution. The aircraft will operate worldwide within the range of its performance parameters in civilian and military airspace in support of Congressionally-mandated missions.

(1). MCH INVESTMENT PERFORMANCE

Key Performance Parameters

Performance	Baseline		Revision #1	
Phase: C&TD	30 June 2006			
Key Parameter	Threshold	Objective	Threshold	Objective
High Altitude Patrol Speed ⁽¹⁾ (Knots)	130			
Low Altitude Patrol Speed ⁽¹⁾ (Knots)	120			
Detection Range ^(1, 2, 3) (NM)	7.7			
Radius	The aircraft shall be capable of traveling 125nm, hoisting a person (20 minutes) and returning to the original launch site with a 20 minute fuel reserve.	The aircraft shall be capable of traveling 150nm, hoisting a person (30 minutes) and returning to the original launch site with a 20 minute fuel reserve.		

Performance	Baseline		Revision #1	
Phase: C&TD	30 June 2006			
Key Parameter	Threshold	Objective	Threshold	Objective
Endurance	Accomplish the SAR mission ⁽⁴⁾ without refueling. Have on-scene endurance of 20 minutes.	Accomplish the SAR mission ⁽⁴⁾ without refueling. Have on-scene endurance 30 minutes.		
Operational Availability (A ₀)	MCH conversion projects will not degrade existing overall aircraft system availability (0.71)	0.85		

1. Based on CIAAT Baseline Asset Characteristics used to develop System Task Sequence (SDCIP) KPPs.
2. In Medium Sea State
3. Based on a specific Height of Eye, a medium size target, clear weather, and 90% Probability of Detection.
4. SAR Mission: The aircraft will take off and climb to best range altitude, transit to the search area at best range airspeed in 90 minutes or less, descend to 50' above Mean Sea Level and remain in a hover for up to 20 minutes. The aircraft will then climb to best range altitude, return to initial takeoff point at best range airspeed and land with 20 minutes of reserve fuel.

Technical Performance Measurement

Design Reviews are being used to monitor technical performance and are reported in accordance with DHS periodic reporting requirements.

(2). MCH INVESTMENT COST

Key Cost Performance Parameters

Cost (Then Year \$)	Baseline	Revision #1
Current Phase: C&TD	30 June 2006	
Total Acquisition Cost	\$741M	
Quantities	102	
Life-Cycle Cost Estimate	\$53,433M	
Useful Life	40 Years	

Cost Performance Measurements

Earned Value Management is being used to monitor cost performance and is reported in accordance with DHS periodic reporting requirements.

(3). MCH INVESTMENT SCHEDULE

Key Schedule Parameters

SCHEDULE		BASELINE	REVISION #1
PHASE:		30 JUNE 2006	
PHASE I	RE-ENGINEING		
	Project Start	FY04	
	84 Operational Aircraft Re-Engined	3QFY07	
	95 Aircraft Completed	1QFY08	
PHASE II	RADAR		
	Design Start	2QFY07	
	Design End	3QFY07	
	First Article	1QFY08	
	OT&E Start	3QFY08	
	OT&E End / IOC	4QFY08	
	Last Article / FOC	FY12	
	TAIL ROTOR/LDG GEAR		
	First Article	3QFY07	
	IOC	3QFY08	
	Last Article / FOC	FY12	
	SLIDING DOOR		
	Design Start	3QFY08	
	Design End	4QFY08	
	First Article	4QFY08	
	IOC	4QFY08	
	Last Article / FOC	FY12	
	FLIGHT DECK EMBEDDED RECOVERY AND TRAVERSING SYSTEM		
	Design Start	1QFY08	
	Design End	3QFY08	
	First Article	4QFY08	
	OT&E Start	1QFY09	
	OT&E End / IOC	2QFY09	
	Last Article / FOC	FY13	
PHASE III	MNS COCKPIT UPGRADE		
	Design Start	2QFY08	
	Design End	4QFY08	
	First Article	1QFY09	
	OT Start	1QFY09	
	OT End / IOC	2QFY09	
	Last Article / FOC	FY13	

Schedule Performance Measurement

The Integrated Master Schedule (IMS) in the contract is being used to monitor schedule performance and is reported in accordance with DHS periodic reporting requirements.

f. VERTICAL TAKEOFF AND LANDING UNMANNED AIR VEHICLE (VUAV)

The Eagle Eye will be capable of landing and taking off from VUAV flight-deck equipped cutters and will have interoperability, C4ISR, COP, Multi Mode Radar (MMR), and Electro Optical/Infrared (EO/IR) sensors that enhance surveillance, detection, classification, identification and prosecution. The aircraft will operate worldwide within the range of its performance parameters in civilian and military airspace in support of Congressionally-mandated missions.

(1). VUAV INVESTMENT PERFORMANCE**Key Performance Parameters ⁽¹⁾**

Performance	Baseline		Revision #1	
Phase: C&TD	30 June 2006			
Key Parameter	Threshold	Objective	Threshold	Objective
High Altitude Patrol Speed ⁽¹⁾ (Knots)	166			
Low Altitude Patrol Speed ⁽¹⁾ (Knots)	166			
Detection Range ^(1, 2, 3) (NM)	20.0			
Radius / Endurance	Provide on-scene presence for 3 hours at 100 miles ⁽⁴⁾ and 360 degree coverage from the controlling asset.	Provide on-scene presence for 4 hours at 100 miles ⁽⁴⁾ and 360 degree coverage from the controlling asset.		
Shipboard Operations	Shall be capable of safely launching, recovering, and rotor engagement in up to 35 knots of wind at 4000ft ISA from all VUAV capable ships, with a deck displacement of $\pm 5^\circ$ pitch, $\pm 8^\circ$ roll, $\pm 5^\circ$ yaw, and $\pm 0.25g$ heave acceleration from 0° centerline ⁽⁵⁾ .			
Operational Availability (A_0)	0.85	0.95		

1. Based on CIAAT Baseline Asset Characteristics used to develop System Task Sequence (SDCIP) KPPs.
2. In Medium Sea State
3. Based on a specific Height of Eye, a medium size target, clear weather, and 90% Probability of Detection.
4. Maintaining LOS with a data link
5. When the UAV Common Automatic Recovery System (UCARS) line of sight between transponder and antenna is maintained for launch/recovery

Technical Performance Measurement

Design Reviews are being used to monitor technical performance and are reported in accordance with DHS periodic reporting requirements.

(2). VUAV INVESTMENT COST**Key Cost Performance Parameters**

Cost (Then Year \$)	Baseline	Revision #1
Current Phase: C&TD	30 June 2006	
Total Acquisition Cost	\$503M	
Quantities	45	
Life-Cycle Cost Estimate	\$17,753M	
Useful Life	40 Years	

Cost Performance Measurements

Earned Value Management is being used to monitor cost performance and is reported in accordance with DHS periodic reporting requirements.

(3). VUAV INVESTMENT SCHEDULE**Key Schedule Parameters**

Schedule	Baseline	Revision #1
Phase: C&TD	30 June 2006	
PDR	02/04	
CDR	02/05	
TRR	1QFY08	
PRR	FY10	
Lead Asset Delivery	3QFY08	
OT&E Start	FY10	
OT&E Complete/IOC	FY10	
Final Asset Delivery/FOC	FY25	

Schedule Performance Measurement

The Integrated Master Schedule (IMS) in the contract is being used to monitor schedule performance and is reported in accordance with DHS periodic reporting requirements.

8. SURFACE

Surface category is focused on delivering the surface asset capabilities required to meet the mission and system performance objectives. As such, the Surface category focuses on the total surface asset contribution, the characteristics of the surface assets, and the costs of acquiring the surface assets by asset class. Surface assets account for \$15,393 Million of the Deepwater AC&I Cost Baseline and consists of contributing components and those surface components that provide a significant contribution to mission and system performance objectives.

Contributing Component Summary

Several projects within Surface Domain are contributing components to surface assets. These include the 110' to 123' Patrol Boat Conversion that was stopped at eight conversions and the Small Boats Project that encompasses multiple assets. The total costs associated with these projects are \$95 Million and \$110 Million, respectively. These costs are included in the Deepwater AC&I Cost Baseline.

Major Performance Components Summary

The following table lists those surface assets that provide a significant contribution to mission and system performance objectives, their capabilities, and the total number of these assets in the Integrated Deepwater System.

Asset	Capabilities ⁽¹⁾	Fleet Size
National Security Cutter (NSC)	DHS/DOD/R21 Interoperability Redundant/Hardened/Improved C2 28 kt Speed Extended/Enhanced Flight Deck Secure Compartmentalized Information Facility 57mm Gun w/Combat Suite Integrated Remote Weapons – AT/FP Suite CBRNE Detection & Defense	8
Offshore Patrol Cutter (OPC)	DHS/DOD/R21 Interoperability Redundant/Hardened/Improved C2 25 kt Speed Extended/Enhanced Flight Deck 57mm Gun w/Combat Suite CBRNE Detection	25
Fast Response Cutter (FRC)	DHS/DOD/R21 Interoperability Redundant/Hardened/Improved C2 Remote Weapons & AT/FP Suite Defense Survivability 35-yr Composite Hull ('A' Class)	46 'A' Class 12 'B' Class
Medium Endurance Cutter (MEC) Mission Effectiveness Project (MEP)	Small boat davits replacement Oily water separator replacement Air conditioning & refrigeration plant replacement Evaporator replacement Upgrade main propulsion control and monitoring systems	27

IDS APB v1.1

Asset	Capabilities ⁽¹⁾	Fleet Size
Patrol Boat (PB) Mission Effectiveness Project (MEP)	Hull plate and internal structure replacement Ship service generator replacement Power distribution system replacement Air conditioning & refrigeration plant replacement Water maker replacement Fire suppression system replacement Fire alarm system replacement Upgrade main propulsion control and monitoring systems	17 ⁽²⁾

1. Not all capabilities are provided on the B class of the FRC.

2. This does not include the first six PB MEPs accomplished with the \$49M OIF Supplemental funding.

The following sections provide the performance, cost and schedule data for each asset identified above that provides a significant contribution to system performance.

a. NATIONAL SECURITY CUTTER (NSC)

The National Security Cutter is one of the surface components of the Integrated Deepwater System that will be capable of extended on-scene presence, long transits and forward deployment. It will be equipped with improved interoperability, C4ISR, COP and sensors that enhance surveillance, detection, classification, identification, and prosecution performance. The cutter and its deployed air and boat assets will operate worldwide within the range of its performance parameters in support of all Congressionally-mandated missions.

(1). NSC INVESTMENT PERFORMANCE

Key Performance Parameters

Performance	Baseline		Revision #1	
Phase: SD&D	30 June 2006			
Key Parameter	Threshold	Objective	Threshold	Objective
Sprint Speed ⁽¹⁾ (Knots)	28	31		
Patrol Speed ⁽²⁾ (Knots)	15			
Operating Range ⁽³⁾ (NM)	12,000			
Detection Range ^(2, 4) (NM)	11.7			
Continuous Efficient Operations ⁽⁵⁾ (Sea State)	Mid 5	Through 6		
Operational Availability A _o	0.80	0.90		

1. In full load condition, calm water, deep water, and clean hull

2. In medium sea state

3. Calculated with the maximum fuel at the most economical speed

4. Based on a medium size target, clear weather, and 90% P.O.D.

5. For replenishment and below deck stowage, operation is at best heading

Technical Performance Measurement

Design Reviews are being used to monitor technical performance and are reported in accordance with DHS periodic reporting requirements.

(2). NSC INVESTMENT COST**Key Cost Performance Parameters**

Cost (Then Year \$)	Baseline	Revision #1
Current Phase: SD&D	30 June 2006	
Total Acquisition Cost	\$3,450M	
Quantity	8	
Life-Cycle Cost Estimate	\$22,998M	
Useful Life	30 Years	

Cost Performance Measurements

Earned Value Management is being used to monitor cost performance and is reported in accordance with DHS periodic reporting requirements.

(3). NSC INVESTMENT SCHEDULE**Key Schedule Parameters**

Schedule	Baseline	Revision #1
Phase: SD&D	30 June 2006	
Preliminary & Contract Design (P&CD) DTO Start	08/02	
SRR	11/02	
PDR	03/03	
CDR	06/03	
P&CD DTO Complete	06/03	
Detailed Design (DD) DTO Start	03/03	
PRR	05/04	
DD DTO Complete	03/05	
Long Lead Time Material (LLTM) DTO Start	03/03	
LLTM DTO Complete	12/04	
Production & Deployment (P&D) DTO Start	06/04	
Developmental Testing & Evaluation (DT&E) Complete	Q4FY07	
P&D DTO Complete	Q4FY08	
First Asset Delivered	Q4FY07	
IOC	Q4FY08	
OT&E Complete	Q4FY10	
Final asset delivered/FOC	FY14	

Schedule Performance Measurement

The Integrated Master Schedule (IMS) in the contract is being used to monitor schedule performance and is reported in accordance with DHS periodic reporting requirements.

b. OFFSHORE PATROL CUTTER (OPC)

The Offshore Patrol Cutter is one of the surface components of the Integrated Deepwater System that will be capable of extended on-scene presence, long transits and forward deployment. It will be equipped with improved interoperability, C4ISR, COP and sensors that enhance surveillance, detection, classification, identification, and prosecution performance. The cutter and its deployed air and boat assets will operate worldwide within the range of its performance parameters in support of all Congressionally-mandated missions.

(1). OPC CLASS INVESTMENT PERFORMANCE

Key Performance Parameters

Performance Phase: SD&D	Baseline 30 June 2006		Revision #1	
Key Parameter	Threshold	Objective	Threshold	Objective
Sprint Speed ⁽¹⁾ (Knots)	25			
Patrol Speed ⁽²⁾ (Knots)	14			
Operating Range ⁽³⁾ (NM)	9,000			
Detection Range ^(2, 4) (NM)	11.7			
Continuous Efficient Operations ⁽⁵⁾ (Sea State)	Mid 5	Through 6		
Operational Availability A ₀	0.80	0.90		

1. In full load condition, calm water, deep water, and clean hull
2. In medium sea state
3. Calculated with the maximum fuel at the most economical speed
4. Based on a specific Height of Eye, a medium size target, clear weather, and 90% Probability of Detection.
5. For replenishment and strike down, operation is at best heading

Technical Performance Measurement

Design Reviews are being used to monitor technical performance and are reported in accordance with DHS periodic reporting requirements.

(2). OPC INVESTMENT COST

Key Cost Performance Parameters

Cost (Then Year \$)	Baseline	Revision #1
Current Phase: C&TD	30 June 2006	
Total Acquisition Cost	\$8,098M	
Quantity	25	
Life-Cycle Cost Estimate	\$47,601M	
Useful Life	30 Years	

Cost Performance Measurements

Earned Value Management is being used to monitor cost performance and is reported in accordance with DHS periodic reporting requirements.

(3). OPC INVESTMENT SCHEDULE ⁽¹⁾

Key Schedule Parameters

Schedule	Baseline	Revision #1
Phase- C&TD	30 June 2006	
P&CD DTO Start	06/04	
Design Suspended	FY06	
SRR	Q2FY09	
PDR	FY10	
CDR	FY10	
P&CD DTO Complete	FY10	
DD DTO Start	FY10	
PRR	FY12	
DD DTO Complete	FY12	
LLTM DTO Start	FY10	
LLTM DTO Complete	FY13	
P&D DTO Start	FY12	
DT&E Complete	FY14	
P&D DTO Complete	FY14	
First Asset Delivered	FY14	
OT&E Complete/IOC	FY15	
Final asset delivered/FOC	FY21	

1. OPC design effort is suspended in accordance with PEO direction. Baseline reschedule above reflects/anticipates restart no later than 01 May 2007.

Schedule Performance Measurement

The Integrated Master Schedule (IMS) in the contract is being used to monitor schedule performance and is reported in accordance with DHS periodic reporting requirements.

c. FAST RESPONSE CUTTER (FRC) 'A' CLASS

The Fast Response Cutter (FRC) 'A' Class is a critical component of the Deepwater system and a maritime security workhorse, patrolling in both coastal and high seas areas. Improved interoperability, C4ISR, COP and sensors will enhance surveillance, detection, classification, identification, and prosecution performance over capabilities of the legacy 110' patrol boat. With its high readiness, speed, adaptability and endurance, the FRC can respond quickly and

effectively to emerging security and safety issues and is essential to achieving mission success in Congressionally-mandated missions.

(1). FRC 'A' CLASS INVESTMENT PERFORMANCE

Key Performance Parameters

Performance Phase: SD&D	Baseline 30 June 2006		Revision #1	
Key Parameter	Threshold	Objective	Threshold	Objective
Sprint Speed ⁽¹⁾ (Knots)	30	40		
Patrol Speed ⁽²⁾ (Knots)	10			
Operating Range ⁽³⁾ (Days)	5	7		
Detection Range ^(2, 4) (NM)	10.2			
Continuous Efficient Operations ⁽⁵⁾ (Sea State)	4	Through 5		
Operational Availability A _o	0.80	0.90		

1. In full load condition, calm water, deep water, and clean hull
2. In medium sea state
3. Calculated with the maximum fuel at the most economical speed
4. Based on a specific Height of Eye, a medium size target, clear weather, and 90% Probability of Detection.
5. For replenishment and strike down, operation is at best heading

Technical Performance Measurement

Design Reviews are being used to monitor technical performance and are reported in accordance with DHS periodic reporting requirements.

(2). FRC 'A' CLASS INVESTMENT COST

Key Cost Performance Parameters

Cost (Then Year \$)	Baseline	Revision #1
Current Phase: SD&D	30 June 2006	
Total Acquisition Cost	\$2,613M	
Quantities	46	
Life-Cycle Cost Estimate	\$17,193M	
Useful Life	35 Years	

Cost Performance Measurements

Earned Value Management is being used to monitor cost performance and is reported in accordance with DHS periodic reporting requirements.

(3). FRC 'A' CLASS INVESTMENT SCHEDULE ⁽¹⁾**Key Schedule Parameters**

Schedule	Baseline	Revision #1
Phase: SD&D	30 June 2006	
P&CD DTO Start	05/03 ⁽¹⁾	
⁽¹⁾ FRC 'A' Class design effort stopped Feb 2006 to assess and mitigate technical risks and investigate TOC reduction opportunities. Baseline Below reflects/anticipates restart by March 2007.		
SRR	04/05	
P&CD DTO Complete	08/05	
Concept & DD DTO Start	09/05	
PDR	09/05	
Design Suspended	02/06	
Design Re-Start	Q1/FY07	
LLTM DTO Start	Q2FY08	
LLTM DTO Complete	Q3FY08	
DD & Production (DD&P) DTO Start	Q3FY08	
PRR	Q1FY09	
DT&E Complete	FY10	
DD&P DTO Complete	FY10	
First Asset Delivered	Q4 FY10	
OT&E Completion/IOC	Q4 FY11	
Final asset delivered/FOC	FY16	

Schedule Performance Measurement

The Integrated Master Schedule (IMS) in the contract is being used to monitor schedule performance and is reported in accordance with DHS periodic reporting requirements.

d. FAST RESPONSE CUTTER (FRC) 'B' CLASS

The Fast Response Cutter (FRC) 'B' Class is a critical component of the Deepwater system and a maritime security workhorse, patrolling in both coastal and high seas areas. Improved interoperability, C4ISR, COP and sensors will enhance surveillance, detection, classification, identification, and prosecution performance over capabilities of the legacy 110' patrol boat. With its high readiness, speed, adaptability, and endurance, the FRC can respond quickly and effectively to emerging security and safety issues and is essential to achieving mission success in Congressionally-mandated missions.

(1). FRC 'B' CLASS INVESTMENT PERFORMANCE**Key Performance Parameters**

Performance	Baseline		Revision #1	
Phase: SD&D	30 June 2006			
Key Parameter	Threshold	Objective	Threshold	Objective
Sprint Speed ⁽¹⁾ (Knots)	28	40		
Patrol Speed ⁽²⁾ (Knots)	10	16		
Operating Range ⁽³⁾ (Days)	5	7		
Detection Range ^(2, 4) (NM)	10.2			
Continuous Efficient Operations ⁽⁵⁾ (Sea State)	4	Through 5		
Operational Availability A _o	0.80	0.90		

1. In full load condition, calm water, deep water, and clean hull
2. In medium sea state
3. Calculated with the maximum fuel at the most economical speed
4. Based on a medium size target, clear weather, and 90% P.O.D.
5. For replenishment and strike down, operation is at best heading

Technical Performance Measurement

Technical performance will be determined by the Government by Acceptance Tests in accordance with contract requirements and then reported in accordance with DHS periodic reporting requirements.

(2). FRC 'B' CLASS INVESTMENT COST**Key Cost Performance Parameters**

Cost (Then Year \$)	Baseline	Revision #1
Current Phase: SD&D	30 June 2006	
Total Acquisition Cost	\$593M	
Quantity	12	
Life-Cycle Cost Estimate	\$5,063M	
Useful Life	15 Years	

Cost Performance Measurements

Earned Value Management is being used to monitor cost performance and is reported in accordance with DHS periodic reporting requirements.

(3). FRC 'B' CLASS INVESTMENT SCHEDULE**Key Schedule Parameters**

Schedule	Baseline	Revision #1
Phase: SD&D	30 June 2006	
CG Proven Craft/Parent Craft Review	Q4/FY06	
CG Request for Proposal to ICGS	Q4/FY06	
ICGS Starts Construction	FY07	
First FRC-B Class Delivered	FY09/10	
Last FRC B-Class Delivered	FY12	

Schedule Performance Measurement

The Integrated Master Schedule (IMS) in the contract will be used to monitor schedule performance and is reported in accordance with DHS periodic reporting requirements.

e. MEDIUM ENDURANCE CUTTER (MEC) MISSION EFFECTIVENESS PROJECT (MEP)

The Medium Endurance Cutter (MEP) Mission Effectiveness Project (MEP) will maintain the overall mission effectiveness of the 270' and 210' WMEC cutter classes until applicable assets in the IDS program are delivered. Since these cutter classes are not being replaced one for one, these cutters need to be retained in operational service until IDS assets become available to assume their operational workload. Each 270' and 210' WMEC provides up to 185 days of mission performance per year; a loss of that capability puts achievement of long-term DHS performance goals at risk. The goal of the WMEC Mission Effectiveness Project is to improve the cutter's operating and cost performance by replacing equipment that has the highest failure rate with more reliable equipment.

(1). MEC MEP INVESTMENT PERFORMANCE**Key Performance Parameters**

Performance	Baseline		Revision #1	
Phase: Production	30 June 2006			
Key Parameter	Threshold	Objective	Threshold	Objective
210' Service Life Extension	2017	2022		
270' Service Life Extension	2023	2027		

Technical Performance Measurement

Design Reviews are being used to monitor technical performance and are reported in accordance with DHS periodic reporting requirements.

(2). MEC MEP INVESTMENT COST**Key Cost Performance Parameters**

Cost (Then Year 5)	Baseline	Revision #1
Current Phase: Production	30 June 2006	
Total Acquisition Cost	\$317M	
Quantities	27	
Life-Cycle Cost Estimate	\$7,157M	
Useful Life	5 – 15 years	

1. Vessels will operate within existing operational base.

Cost Performance Measurements

Earned Value Management is being used to monitor cost performance and is reported in accordance with DHS periodic reporting requirements.

(3). MEC MEP INVESTMENT SCHEDULE**Key Schedule Parameters**

Schedule	Baseline	Revision #1
Phase: Production	30 June 2006	
MEC MEP Project Initiation	04/03	
Delivered 1 st Phase 1 270' Cutter (TAMPA)	02/06	
Delivered 1 st 210' Cutter (DEPENDABLE)	03/06	
Deliver last Phase 2 270' Cutter	FY16	
Deliver last 210' Cutter	FY12	

Schedule Performance Measurement

The Integrated Master Schedule (IMS) in the contract is being used to monitor schedule performance and is reported in accordance with DHS periodic reporting requirements.

f. PATROL BOAT (PB) MISSION EFFECTIVENESS PROJECT (MEP)

The Patrol Boat (PB) Mission Effectiveness Project (MEP) will maintain the overall mission effectiveness of the 110' WPB cutter class until applicable assets in the IDS program are delivered. Since this cutter class is not being replaced one for one, these cutters need to be retained in operational service until IDS assets become available to assume their operational workload. Each 110' WPB provides 104 days of mission performance per year; a loss of that capability puts achievement of DHS performance goals at risk. The goal of the WPB Mission Effectiveness Project is to improve the cutter's operating and cost performance by replacing equipment that has the highest failure rate with more reliable equipment that is more easily maintained and supported.

(1). PB MEP INVESTMENT PERFORMANCE**Key Performance Parameters**

Performance	Baseline		Revision #1	
Phase: C & TD	30 June 2006			
Key Parameter	Threshold	Objective	Threshold	Objective
110' Service Life Extension	2019	2028		

Technical Performance Measurement

Design Reviews are being used to monitor technical performance and are reported in accordance with DHS periodic reporting requirements.

(2). PB MEP INVESTMENT COST**Key Cost Performance Parameters**

Cost (Then Year \$)	Baseline	Revision #1
Current Phase: C & TD	30 June 2006	
Total Acquisition Cost	\$117M	
Quantities	17	
Life-Cycle Cost Estimate	\$897M	
Useful Life	5 – 15 Years	

1. Vessels will operate within existing operational base.

Cost Performance Measurements

Earned Value Management is being used to monitor cost performance and is reported in accordance with DHS periodic reporting requirements.

(3). PB MEP INVESTMENT SCHEDULE**Key Schedule Parameters**

Schedule	Baseline	Revision #1
Phase:	30 June 2006	
PB MEP Project Initiation	02/05	
Deliver 1 st Patrol Boat	FY09	
Deliver last Patrol Boat	FY13	

Schedule Performance Measurement

The Integrated Master Schedule (IMS) in the contract is being used to monitor schedule performance and is reported in accordance with DHS periodic reporting requirements.

9. C4ISR

C4ISR refers to the systems and subsystems that are part of the Deepwater Command, Control, Communications, Computer, Intelligence, Surveillance, and Reconnaissance (C4ISR) System. The C4ISR system is designed to provide operationally relevant information and knowledge to Coast Guard commanders to allow for the efficient and effective exercise of authority, while directing and monitoring assigned forces and first responders across the full range of Coast Guard operations. C4ISR is literally the “glue” that binds the Deepwater assets together into a “Systems Solution.” The types of work that the C4ISR system will accomplish are to:

- Collect operational and intelligence data; process and integrate that data into operationally valued and assured information; and analyze, evaluate, and/or interpret the available operational and intelligence information into actionable knowledge to enhance Maritime Domain and Situational Awareness within maritime areas of the United States, specifically focused on preventing terrorist or other illegal acts like drug smuggling while simultaneously assisting mariners in distress or aiding maritime shipping;
- Systematically enable persistent surveillance needs required to maintain the operational and commercial viability of the United States Maritime Domain consisting of ports, waterways and coastal areas on the water’s surface, and above the water by visual, audio, electronic, photographic, or other means; and
- Obtain, by technical sensor and intelligence methods and visual observation, information about the activities and possible threats from terrorists and other criminal activity, while concurrently observing and assisting legitimate users in American Ports, Waterways and Coastal regions.

C4ISR accounts for \$1,353 Million of the Deepwater Acquisition Cost Baseline and consists of contributing components and those C4ISR projects that provide a significant contribution to system performance.

Contributing Component Summary

This category includes shore upgrades and legacy cutter upgrades. The total cost associated with shore upgrade projects is \$102 Million of the Deepwater Acquisition Cost Baseline. The total cost associated with legacy cutter upgrade projects is \$180 Million of the Deepwater Acquisition Cost Baseline.

Major Performance Component Summary

The following table lists those C4ISR assets that provide a significant contribution to mission and system performance objectives along with their capabilities.

Asset	Capabilities
Common Operational Picture (COP)	Command & Control Improvements Communication Automation Radio Direction Finding Upgrade High Frequency Auto Linking Satellite Communication Interoperability with DoD Boarding Party Communication Upgrade

The following section provides the performance, cost and schedule data COP.

a. COMMON OPERATIONAL PICTURE (COP)

Simply put, C4ISR is the eyes, ears, nervous and cognitive reasoning system of Deepwater, allowing the Coast Guard to see, hear, comprehend and communicate what is happening in America's maritime regions. This is accomplished using modern electronic components, such as interoperable radio and satellite communication systems and improved optical/radar sensors, that can improve visual sightings in almost total darkness and can detect maritime targets in all weather conditions, and by using an interoperable network to bring all operational and intelligence data together, transforming that data into operationally-focused, intelligence-infused information in a Common Operating Picture (COP).

(1). COP INVESTMENT PERFORMANCE

Key Performance Parameters

Performance Phase: SD&D	Baseline 30 June 2006		Revision #1	
Key Parameter	Threshold	Objective	Threshold	Objective
Track File Capacity (# of)	12000	20000		
Computer Network Infrastructure Utilization (Percentage of Total Network Throughput)	40% (60% remains available for surge capacity/other usage)	10% (90% remains available for surge capacity/other usage)		
SATCOM Bandwidth (Kbps)	256	1000		
Information Security	C4ISR Systems shall be capable of exchanging classified voice, video and data information at the Secret, Top Secret, SCI, & SBU Levels as appropriate within the Coast Guard and with DOD, DHS and Other Government Agencies.			
Operational Availability	The CG-C2 system shall be able to operate 24 hours a day, 7 days a week, 365 days a year, when the asset is in an operational status, with a 99.9% availability, as defined by COP availability to the CG-C2 operator (excluding planned maintenance) onboard the asset.			
Interoperability	C4ISR Systems shall be capable of exchanging voice, video and data information, with all Coast Guard Assets, Command	C4ISR Systems shall be capable of exchanging voice, video and data information, with all Coast Guard Assets, Command		

Performance	Baseline		Revision #1	
Phase: SD&D	30 June 2006			
Key Parameter	Threshold	Objective	Threshold	Objective
	Centers, CAMS, DOD, GCCS-M systems, Combat Commanders and DHS C2 systems including Rescue 21 and OneNet.	Centers, CAMS, DOD, GCCS-M systems, Combat Commanders and DHS C2 systems (including Rescue 21 and OneNet) along with other Federal, State & Local agencies.		

Technical Performance Measurement

Design Reviews are being used to monitor technical performance and are reported in accordance with DHS periodic reporting requirements.

(2). COP INVESTMENT COST

Key Cost Performance Parameters

Cost (Then Year \$)	Baseline	Revision #1
Current Phase: SD&D	30 June 2006	
Total Acquisition Cost	\$1,071M	
Quantities	4 Increments	
Life-Cycle Cost Estimate	\$1,071M	
Useful Life	25 Years	

Cost Performance Measurements

Earned Value Management is being used to monitor cost performance and is reported in accordance with DHS periodic reporting requirements.

(3). COP INVESTMENT SCHEDULE

Key Schedule Parameters

Schedule	Baseline	Revision #1
Phase: SD&D	30 June 2006	
Increment 1 PDR	08/03	
Increment 1 CDR	12/06	
Increment 2 Baseline Release	3QFY07	
Increment 2 PDR	12/05	
Increment 2 CDR	3QFY07	
Increment 2 Baseline Release	1QFY09	

IDS APB v1.1

Schedule	Baseline	Revision #1
Phase: SD&D	30 June 2006	
Increment 3 PDR	1QFY09	
Increment 3 CDR	FY10	
Increment 3 Baseline Release	FY11	
Increment 4 PDR	FY12	
Increment 4 CDR	FY13	
Increment 4 Baseline Release	FY14	

Schedule Performance Measurement

The Integrated Master Schedule (IMS) in the contract is being used to monitor schedule performance and is reported in accordance with DHS periodic reporting requirements.

10. INTEGRATION AND OVERSIGHT

“Integration and oversight” are those contributing activities that cut horizontally across the Surface, Air, and C4ISR categories. This section includes systems engineering and integration, government program management, technology obsolescence prevention, logistics, and infrastructure upgrades. This depiction is consistent with the capitalization methodology used to record the Deepwater assets in the Coast Guard financial statements as these costs are spread to the individual assets.

a. Systems Engineering and Integration

The Integrated Deepwater Systems (IDS) solution is designed to incorporate off-the-shelf systems and components, where possible. Therefore, Systems Engineering and Integration is essential to ensuring interoperability at the unit, system, and organizational levels, both internal to the Coast Guard and with other DHS and DOD assets. Effective systems integration—bringing things technically and operationally together so they operate as a system—will minimize the cost of asset acquisition, operations and maintenance, maximize the assets’ ability to integrate with each other (and those of other agencies), and minimize the risk inherent in a comprehensive and complex engineering project of Deepwater’s scope and magnitude. Systems Engineering and Integration accounts for \$1,118 Million of the Deepwater Acquisition Cost Baseline.

b. Government Program Management

The Integrated Deepwater System (IDS) program management staff gives the Coast Guard the capability to protect the government’s interests during the Deepwater acquisition and ensures the System Integrator delivers products and services to the Coast Guard that both meet the terms and conditions of the contract and provide the capabilities and performance the Coast Guard requires to accomplish assigned missions. It is the responsibility of the Coast Guard to ensure that the products delivered by the System Integrator meet the government’s performance specifications. The Coast Guard does this through its staff collocated at the System Integration Program Office (SIPO), and at several other contractor and government locations. The staff includes a number of government military, civilian, and support contractors experienced in all phases of large, complex acquisition programs. Many of the program management staff personnel participate as members on Integrated Product Teams charged with the day-to-day implementation of the IDS. Government Program Management accounts for \$1,518 Million of the Deepwater Acquisition Cost Baseline.

c. Technology Obsolescence Prevention

In general, Technology Obsolescence Prevention (TOP) supports Integrated Deepwater Systems (IDS) assets for the 40-year duration of the program. For example, if a computer were placed in service in 2005, it would be replaced in 2010. The replacement is chosen based on the same requirements as the original equipment. The cost allocated is the original cost plus an inflation factor for 2010. This amount is allocated according to different service lives of equipment sub systems until an asset is either disposed of or the end of the IDS contract period is reached. Technology Obsolescence Prevention accounts for \$345 Million of the Deepwater Acquisition Cost Baseline.

d. Logistics and Infrastructure Upgrades

Deepwater Logistics is designed to support the Deepwater System as new surface and air assets and capabilities are delivered or as legacy Coast Guard aircraft are converted into Deepwater end-state assets. Logistics support is envisioned to be centrally managed with strict configuration management. The IT Tool selected to facilitate implementation and execution of the Deepwater System is the Logistics Information Management System (LIMS), which requires installation at specific Coast Guard Shore Units that will be responsible for providing logistics support.

The other main component of logistics is the facilities that will become the home base for the assets (new ships and planes as well as converted legacy aircraft). These facilities fall into one of two categories: 1) current Coast Guard facilities that are modified to be used for the new and/or converted assets, such as lengthening piers for a longer ship, and 2) newly acquired facilities, including land and the associated buildings that will be the new home base for the Deepwater ships and aircraft.

Logistics support includes the following functional work: 1) maintenance, 2) manpower considerations for the assets, such as the design of controls for engineers on ships and flight controls on aircraft, 3) supply support in terms of parts, 4) special equipment used for testing and calibrating the cutters and planes electronic systems, 5) providing the technical manuals related to operations and maintenance, 6) all aspects of training and training tools, 7) computer support for the asset (if not already included in the C4ISR budget), and 8) the physical movement and care of the parts, equipment components, and supplies, including packaging, handling, storage and transportation.

Logistics and Infrastructure Upgrades account for \$481 Million of the Deepwater Acquisition Cost Baseline.

U.S. Department of Homeland Security
Washington, DC 20528



**Homeland
Security**

December 12, 2006

MEMORANDUM FOR: Michael P. Jackson
Deputy Secretary

FROM: Scott Charbo *[Signature]*
Vice Chair, Investment Review Board

SUBJECT: USCG Nationwide Automatic Identification System (NAIS)
Acquisition Decision Memorandum

The attached decision memo is based on a paper IRB review conducted by the Integrated Project Review Team (IPRT). This team comprises subject matter experts from the following offices: CFO, CIO, Privacy, Policy, Security, CPO, CAO, Office of the General Counsel, and S&T. The review consisted of a program review and assessment of NAIS proposed baselines for cost, schedule and performance as identified in their Acquisition Program Baseline (APB). There are no controversial issues remaining from this review.

The decision memo authorizes NAIS to begin production of first increment capabilities while retaining IRB oversight on Increments 2 and 3. Further, it approves the APB.

Your concurrence to allow Increment 1 to enter the Production and Deployment phase will provide the capability to receive AIS messages within the nation's 55 highest critical ports and coastal areas out to 24 nautical miles as well as transfer, store, and display data received from these sites. The USCG will be authorized to proceed with capability development for Increments 2 and 3 but return to the IRB for a milestone review prior to awarding production contracts to determine:

- The affordability of the technical solutions.
- An adequate Return on Investment for each capability increment.

If you concur, I will transmit the attached IRB decision memo to the U. S. Coast Guard.

Concur/date *MC* 12-26-06 Non-Concur/date _____

Modify/date _____ Needs discussion/date _____

U.S. Department of
Homeland Security
United States
Coast Guard



Acquisition Program Baseline (APB) Version 1.0 for the

Nationwide Automatic Identification System Project

Submitted by:

Kurt Guth
CAPT Kurt Guth
Project Manager (G-AIS)

6/7/2006
Date

Validated by:

[Signature]
Chief, Acquisition Technical Support
Staff (G-A-2)

6/8/2006
Date

Endorsed by:

[Signature] RD-16
Project Director (G-A)

14 JUNE 2006
Date

Endorsed by:

[Signature]
Chief of Staff (G-CCS)

03 July 2006
Date

Approved by:

[Signature]
USCG Acquisition Executive (G-CV)

JUL 11 2006
Date

DHS Acquisition Decision Memorandum Approval Received:

1/2/07
Date

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For Official Use Only**Section A: Revision Summary**

Version	Date	Revision
1.0	25-May-06	Initial Print

For Official Use Only**Section B: Top-Level Investment Baseline**

In compliance with the Maritime Transportation Security Act of 2002, emerging Department of Homeland Security (DHS) requirements and the need to improve maritime security, marine safety, navigational safety, search and rescue and environmental protection services, the Coast Guard is developing an Automatic Identification System (AIS)-based network for vessel tracking and communication, entitled the Nationwide Automatic Identification System (NAIS).

The Automatic Identification System (AIS) is a maritime digital broadcast system that continually transmits and receives data voicelessly, which has been adopted by the International Maritime Organization as an international standard for ship-to-ship, ship-to-shore and shore-to-ship communication of navigation information. AIS units operating in proximity to each other automatically create a virtual network. Shore stations can also join these virtual networks, and can receive shipboard AIS signals, perform network and frequency management, and send additional broadcast or individual informational messages to AIS-equipped vessels.

The U.S. Coast Guard major acquisition project, NAIS, provides the necessary terrestrial, sea and air-based communications equipment and capability to receive AIS information from AIS equipped vessels in the ports, waterways, coastal zones (approximately 0-50 nautical miles from shore) and seaward in international waters (out to approximately 2,000 nautical miles from the coast). The vessel AIS data collected and processed provides the ability to identify and track these vessels, which significantly contributes to achieving Maritime Domain Awareness and inform operational decision makers. NAIS will also take advantage of the functionality to transmit AIS data, send text messages, process and use binary applications, conduct channel management and other functions designed into the AIS standard.

Through the provision of these capabilities, NAIS will support DHS strategic goals of Awareness, Prevention, Protection and Response. The information provided by NAIS will support many of the nation's maritime interests, improve navigation safety, reduce maritime security risks and facilitate vessel identification and tracking within the U.S. navigable waters and out to 2,000 nautical miles offshore.

The NAIS Operational Requirements Document (ORD) requires system capability to be provided in three increments, as follows:

1. Receive Only in Critical Ports and Coastal Areas; basic data management services and dissemination
2. Coastal Transmit and Receive Nationwide; advanced data management services, robust infrastructure, interoperability with multiple command and control systems
3. Long Range Receive Nationwide

The primary benefit of an incremental approach is that the capability timelines mandated in the ORD can be achieved. Maritime security stakeholders will receive useful vessel tracking capability and the Coast Guard and DHS can demonstrate progress in complying with the Maritime Transportation Security Act of 2002 more quickly than would be otherwise possible. In particular, the strategy for implementing Increment 1 will provide port security stakeholders with vessel tracking and maritime awareness capability for improved resource allocation decision making and enhanced port security two to four years sooner than would be possible if acquired under one contract action. Implementing NAIS in these three increments will also help to address technical, logistical and budgetary risks that would be more difficult to manage in a single step approach. The capability increments have been structured in consideration of DHS mission priorities, maturity of AIS technology, and engineering and support feasibility. For example, the capability to transmit and receive AIS nationwide will be partially based on engineering, supportability, maintainability, and reliability information derived from the first increment.

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Section B.1: Investment Performance

Key Parameter	Threshold	Objective
Receive	Receive AIS position reports and other messages per ORD Section 3.1.1 and Table 3.1 thresholds	Receive AIS position reports and other messages per ORD Section 3.1.1 and Table 3.1 objectives
Transmit	Transmit all standard AIS messages in the areas defined in ORD Section 3.1.3 and Table 3.2 with the threshold probability for reception	Transmit all standard AIS messages in the areas defined in ORD Section 3.1.3 and Table 3.2 with the objective probability for reception
Network Services	Provide all received AIS messages to the appropriate local command and control entity and to the Sensitive but Unclassified (SBU) Common Operational Picture (COP).	Provide all received AIS messages to the SBU COP, intelligence community, local command and control system(s), and external entities as required.
Data Management	Perform data validation on AIS information received. Provide AIS data to an appropriate archive for storage and retrieval.	Perform data validation on AIS information received. Correlate AIS data with other sources and provide this correlated/fused information to the appropriate command and control system. Have as part of NAIS a means for archiving and retrieval of AIS and correlated data.
Interoperability	Provide NAIS data in a standard format to Coast Guard systems and external systems. Integrate NAIS capability with Sector Command Center core Command and Control (C2) systems to provide for control of AIS functionality (e.g., transmission of text messages, etc.).	Provide NAIS data in a customized format to all required Coast Guard and external systems. Integrate NAIS capability with appropriate C2 systems to provide interoperability as necessary to support operational requirements.

Threshold and Objective Receive and Transmit Levels of Service from ORD Tables 3.1 and 3.2 provided as Appendix A. General Coverage Requirements, Definitions and Exceptions from ORD provided as Appendix B. Listing of Critical Ports and Coastal Areas defined in CRD Appendix D provided as Appendix C.

Technical Performance Measurement

The NAIS Project Office will manage the technical aspects of the project by using Integrated Product Teams (IPT) and an Integrated Digital Environment (IDE). The IPTs include government project office and Coast Guard Centers of Excellence (COEs), contractor, and other industry members. The IPTs and appropriate working groups will conduct formal and informal technical interchange meetings. These meetings will focus on the timely and free exchange of information. The IPT process will be augmented and supported by an interactive IDE to enable the paperless exchange of information among teammates and stakeholders across nearly transparent boundaries. For example, the Government and the Contractor will use the IDE to submit, review, and approve contract data deliverables. This day-to-day process will be overlain by a series of formal project reviews, design reviews (Preliminary Design Review (PDR) and Critical Design Review (CDR)), and award fee evaluations that will be used to monitor technical performance.

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Section B.2: Investment Cost

Critical Parameters	Estimated Cost (Fiscal Year \$)
	\$1,241.2 M*
	\$278.6 M*
	7 years
	15 years

* In addition to the costs estimated for each increment, total costs include \$25.4M Acquisition and \$10.6M Operations and Maintenance expended on prototype, planning, and support efforts through the Concept Technology and Development Phase of the investment.

Cost Performance Measurement

The Government will monitor performance and cost adherence effectiveness through Integrated Baseline Reviews (IBR), Integrated Master Schedules (IMS), program reviews, regular and frequent meetings and analysis of monthly progress reports. The NAIS Project will also establish a Project Resident Office to facilitate contract administration and monitor progress. Contracts will include Earned Value Management (EVM) as a project management tool as required by CMB Circular A-11. The Government will require the contractor to implement an EVM System, using ANSI/ISA 748 as guidance to manage, monitor and measure cost, schedule and performance; and to integrate EVM principles into management processes. The contractor will be required to provide near real-time access via the IDE to EVM data. Performance reports will be required at minimum on a monthly basis as a contract data item deliverable. The NAIS Project Office will ensure dedicated resources are established to actively monitor and track program cost and schedule using the EVM data and reports and provide timely notification to the NAIS Project Manager of negative trends or projected variances discovered. Additionally, each Government IPT leader will use EVM as a tool in managing the program.

Within 90 days of award of a contract for this acquisition, an IBR will be conducted to verify the technical content of the Performance Measurement Baseline (PMB), the accuracy and logic of schedules, and the adequacy of budgets. As future planning packages in the baseline are developed into detailed plans, the Government and Contractor will work "shoulder to shoulder" to review those detailed baseline plans.

Once the IBR has been completed and the PMB established, the contractor will submit monthly contract performance reports showing cost and schedule adherence to the PMB. The Contracting Officer's Technical Representative (COTR) and other Project Office staff will review these reports and work with contractors to develop and implement corrective actions as necessary. Incentive fee determinations will consider, among other things, the contractor's effectiveness of managing cost to the PMB.

Section B.3: Investment Schedule

Phase C240	Baseline: 23 May 2006
Critical Events	Estimated Completion*
	1Q FY07 ✓
	4Q FY07
	4Q FY09
	1Q FY10
	4Q FY13
	4Q FY13

* All schedule dates presented in this APB document are based on the NAIS Master Integrated Schedule and are the NAIS Project Office's best estimate as of May 19, 2006.

For Official Use Only***Schedule Performance Measurement***

The Government will monitor performance and schedule adherence effectiveness through Integrated Baseline Reviews (IBR), Integrated Master Schedules (IMS), program reviews, regular and frequent meetings and analysis of monthly progress reports. The NAIS Project will also establish a Project Resident Office to facilitate contract administration and monitor progress. Contracts will include Earned Value Management (EVM) as a project management tool as required by OMB Circular A-11. The Government will require the contractor to implement an EVM System, using ANSI/EIA 748 as guidance to manage, monitor and measure cost, schedule and performance; and to integrate EVM principles into management processes. The contractor will be required to provide near real-time access via the IDE to EVM data. Performance reports will be required at minimum on a monthly basis as a contract data item deliverable. The NAIS Project Office will ensure dedicated resources are established to actively monitor and track program cost and schedule using the EVM data and reports and provide timely notification to the NAIS Project Manager of negative trends or projected variances discovered. Additionally, each Government IPT leader will use EVM as a tool in managing the program.

Within 90 days of award of a contract for this acquisition, an IBR will be conducted to verify the technical content of the Performance Measurement Baseline (PMB), the accuracy and logic of schedules, and the adequacy of budgets. As future planning packages in the baseline are developed into detailed plans, the Government and Contractor will work "shoulder to shoulder" to review those detailed baseline plans.

Once the IBR has been completed and the PMB established, the contractor will submit monthly contract performance reports showing cost and schedule adherence to the PMB. The COTR and other Project Office staff will review these reports and work with contractors to develop and implement corrective actions as necessary. Award fee determinations will consider, among other things, the contractor's effectiveness of managing schedule to the PMB.

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Section C: Increment 1 Baseline

Section C.1: Increment 1 Performance

Key Parameter	Threshold	Objective
Receive	Receive AIS position reports and other messages to Level of Service I and II per ORD Table 3.1 thresholds, in critical ports and coastal areas per ORD Appendix D	Receive AIS position reports and other messages to Level of Service I and II per ORD Table 3.1 objectives
Network Services	Provide all received AIS messages to the Sensitive but Unclassified (SBU) Common Operational Picture (COP).	Provide all received AIS messages to the SBU COP, intelligence community, local command and control system(s), and external entities as required.
Data Management	Provide AIS data to an appropriate archive for storage.	Perform data validation on AIS information received. Correlate AIS data with other sources and provide this correlated/fused information to the appropriate command and control system. Have as part of NAIS a means for archiving and retrieval of AIS and correlated data.
Interoperability	Provide NAIS data in a standard format to Coast Guard systems.	Provide NAIS data in a standard format to Coast Guard systems and external systems. Integrate NAIS capability with Sector Command Center core Command and Control (C2) systems to provide for control of AIS functionality (e.g., transmission of text messages, etc.).

Threshold and Objective Receive and Transmit Levels of Service from ORD Tables 3.1 and 3.2 provided as Appendix A. General Coverage Requirements, Definitions and Exceptions from ORD provided as Appendix B. Listing of Critical Ports and Coastal Areas defined in CRD Appendix D provided as Appendix C.

Section C.2: Increment 1 Cost

Cost Parameter	Estimated Cost (Fiscal Year \$)
Development	\$33.0 M
Procurement	\$17.5 M
Operations	7 years

Section C.3: Increment 1 Schedule

Critical Events	Estimated Completion
System Integration	1Q FY07
System Acceptance	1Q FY07
System Deployment	4Q FY07

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Section D: Increment 2 Baseline

Section D.1: Increment 2 Performance

Phase: CD&D		Baseline: 25 May 2008
Key Parameter	Threshold	Objective
Receive	Receive AIS position reports and other messages to Level of Service I, II and III per ORD Table 3.1 thresholds	Receive AIS position reports and other messages per ORD Table 3.1 objectives
Transmit	Transmit all standard AIS messages in the areas defined in ORD Table 3.2 with the threshold probability for reception	Transmit all standard AIS messages in the areas defined in ORD Table 3.2 with the objective probability for reception
Network Services	Provide all received AIS messages to the appropriate local command and control entity and to the Sensitive but Unclassified (SBU) Common Operational Picture (COP).	Provide all received AIS messages to the SBU COP, intelligence community, local command and control system(s), and external entities as required.
Data Management	Perform data validation on AIS information received. Provide AIS data to an appropriate archive for storage and retrieval.	Perform data validation on AIS information received. Correlate AIS data with other sources and provide this correlated/fused information to the appropriate command and control system. Have as part of NAIS a means for archiving and retrieval of AIS and correlated data.
Interoperability	Provide NAIS data in a standard format to Coast Guard systems and external systems. Integrate NAIS capability with Sector Command Center core Command and Control (C2) systems to provide for control of AIS functionality (e.g., transmission of text messages, etc.).	Provide NAIS data in a customized format to all required Coast Guard and external systems. Integrate NAIS capability with appropriate C2 systems to provide interoperability as necessary to support operational requirements

Threshold and Objective Receive and Transmit Levels of Service from ORD Tables 3.1 and 3.2 provided as Appendix A. General Coverage Requirements, Definitions and Exceptions from ORD provided as Appendix B. Listing of Critical Ports and Coastal Areas defined in ORD Appendix D provided as Appendix C.

Section D.2: Increment 2 Cost

Phase: ORD	Baseline: 25 May 2008
Critical Parameters	Estimated Cost (Fiscal Year \$)
Development	\$1,448.8 M
Acquisition	\$2,274.4 M
Support	10 years

Section D.3: Increment 2 Schedule

Phase: ORD	Baseline: 25 May 2008
Critical Events	Estimated Completion
Development	4Q FY08
Acquisition	4Q FY09
Support	4Q FY13

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Section E: Increment 3 Baseline

Section E.1: Increment 3 Performance

Phase: C04D		Baseline: 25 May 2006
Key Parameter	Threshold	Objective
Receive	Receive AIS position reports and other messages to Level of Service IV and V per CRD Table 3.1 thresholds	Receive AIS position reports and other messages per ORD Table 3.1 objectives
Network Services	Provide all received AIS messages to the appropriate local command and control entity and to the Sensitive but Unclassified (SBU) Common Operational Picture (COP).	Provide all received AIS messages to the SBU COP, intelligence community, local command and control system(s), and external entities as required.
Data Management	Perform data validation on AIS information received. Provide AIS data to an appropriate archive for storage and retrieval.	Perform data validation on AIS information received. Correlate AIS data with other sources and provide this correlated/fused information to the appropriate command and control system. Have as part of NAIS a means for archiving and retrieval of AIS and correlated data.
Interoperability	Provide NAIS data in a standard format to Coast Guard systems and external systems.	Provide NAIS data in a customized format to all required Coast Guard and external systems.

Threshold and Objective Receive and Transmit Levels of Service from ORD Tables 3.1 and 3.2 provided as Appendix A. General Coverage Requirements, Definitions and Exceptions from ORD provided as Appendix B.

Section E.2: Increment 3 Cost

Critical Parameters	Estimated Cost (Then Year \$)
Program	\$100.5M
Hardware	\$15M
Software	15 years

Section E.3: Increment 3 Schedule

Critical Events	Estimated Completion
Program	10 FY10
Hardware	10 FY10
Software	4Q FY10

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Appendix A: Threshold and Objective AIS Receive and Transmit Levels of Service

Table 3.1 of NAIS ORD (dated 28 April 2006) - describes the general AIS receive requirements, with a given level of service required in defined geographic areas as measured from the baseline. The Level of Service is expressed as the required rate of receiving AIS position reports from AIS-equipped vessels.

	Receive Coverage Area									
	Ports and Other Specified Areas		Inland Navigable and Coastal Waters out to 24 nm		24- 50 nm		50- 300 nm		300- 2000 nm	
Level of Service	I		II		III		IV		V	
AIS Type	Threshold	Objective	Threshold	Objective	Threshold	Objective	Threshold	Objective	Threshold	Objective
Type 1*	1 minute	15 seconds	5 minutes	1 minute	2 hours	5 minutes	2 hours	1 hour	4 hours	1 hour
Type 2**	1 minute	30 seconds	5 minutes	1 minute	--	5 minutes	--	1 hour	--	1 hour

Table 3.2 of NAIS ORD (dated 28 April 2006) - describes the general AIS transmit requirements, with a given level of service required in defined geographic areas as measured from the baseline. The Level of Service is expressed as the probability that a message transmitted from a Nationwide AIS transmitter will be successfully received by an AIS mobile station within the specified area, and are identified as levels I-V as these probabilities are specified for use in different geographic areas throughout this ORD. These probabilities may be met through repeat message transmission from a given base station sufficient number of times to ensure the threshold probability of reception is achieved, as long as such repeat transmissions do not negatively affect normal AIS operations.

	Transmit Coverage Area									
	Ports and Other Specified Areas		Inland Navigable and Coastal Waters out to 24 nm		24- 50 nm		50-300 nm		300-2000 nm	
Level of Service	I		II		III		IV		V	
AIS Type	Threshold	Objective	Threshold	Objective	Threshold	Objective	Threshold	Objective	Threshold	Objective
Type 1*	98%	99%	90%	95%	0%	66%	0	33%	0	25%
Type 2**	90%	95%	66%	90%	0%	24%	0	24%	0	0

* Type 1 AIS mobile units are defined as having a minimum antenna height of 10 meters and a nominal transmit power of 12.5 watts, typical of a larger class vessel.

** Type 2 AIS mobile units are defined as having a minimum antenna height of 1 meter and a nominal transmit power of 2.0 watts, typical of smaller vessels.

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Appendix B: General Coverage Requirements, Definitions and Exceptions

From Section 3.1.1 and Appendix C of the NAIS ORD (dated 28 April 2006).

The general geographic areas used in Tables 3.1 and 3.2 are defined as follows:

- Ports and Other Specified Areas: The critical port areas as defined by Commandant (G-PC) and other areas determined by operational commanders to require this level of coverage.
- Inland Navigable and Coastal Waters out to 24 nm: Coastal waters measured from the baseline¹ out to 24 nm.
- 24 to 50 nm – The waters in the area 24 to 50 nm from the baseline.
- 50 to 300 nm – The waters in the area 50 to 300 nm from the baseline.
- 300 to 2000 nm – The waters in the area 300 to 2000 nm from the baseline

The geographic definition of Inland Navigable Waters, coastal waters for U.S. Territories and lists exceptions to the general coverage requirements are as follows.

Inland Navigable Waters:

For purposes of this document, especially Section 3.1, "inland navigable waters" refers to the following locations:

- Columbia River from Astoria, OR to Kennewick, WA
- Sacramento River to Sacramento, CA
- San Joaquin River to Stockton, CA
- Mississippi River to Baton Rouge
- Western Rivers covered by the Inland Rivers Vessel Movement Center (IRVMC)
- Intracoastal Waterway
- Hudson River to Albany, NY
- U. S. waters of the Great Lakes (including connecting rivers: Detroit, St. Clair, St. Marys)
- U. S. waters of the St. Lawrence River

U.S. Territories:

U.S. Territories that shall be included in coastal waters are:

- The island of Guam
- Puerto Rico
- U.S. Virgin Islands

Coverage exceptions to NAIS ORD Tables 3.1 and 3.2:

Area description	Level of Service	
	Receive	Transmit
Alaska Bering Sea coast north of Kotzebue to Canadian border	V	V
Cook Inlet North and East of Anchorage (Turnagin and Knik Arms)	IV	IV
Aleutian Islands west of Dutch Harbor, except for Adak and Attu	IV	IV
Alaska Peninsula west of 156° west longitude, except Unimak Pass	IV	IV
Adak, Attu, Dutch Harbor and Unimak Pass	II	III
Gulf of Alaska between 137° and 144° west longitude	III	III
Western Rivers covered by IRVMC (covering Inland River Vessel Movement Center (IRVMC) designated reporting points)	III	V
U.S. Territories (Island of Guam, Puerto Rico, U.S. Virgin Islands)	II	II
U.S. waters exempt from AIS carriage requirements	None	None

¹ From National Oceanic and Atmospheric Administration (NOAA), National Ocean Service, Office of Coast Survey (http://www.csc.noaa.gov/mbwg/html/cad_mar.htm#TSB): The baseline is "the line from which maritime zones are measured. The normal baseline for measuring the territorial seas (TS), contiguous zone (CZ), exclusive economic zone (EEZ) and continental shelf is the low-water line along the coast."

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Appendix C: Designated Critical Ports and Coastal Areas

From Appendix D of ORD (dated 28 April 2006): The areas below have been grouped in order of priority for deployment. Increment 1 will be designed and deployed within the constraints of available infrastructure, cost and performance requirements in order to meet the required schedule. Therefore, actual deployment in all areas listed below may not occur due to those constraints. Locations marked with an asterisk (*) currently have some AIS capability provided by interim systems; this capability will be evaluated to determine if it meets the requirements for Increment 1 and subsequent increments. Areas that are not listed below but have existing AIS capability accessible by the Coast Guard shall be incorporated into Increment 1 but evaluation of their ability to meet requirements is not required. Areas marked with a double asterisk (**) have AIS capability provided by VTS and shall be assumed to meet coverage requirements.

<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>
Baltimore, MD	**Baton Rouge, LA	Albany, NY
*Charleston, SC	Beaumont, TX	*Anchorage, AK
*Honolulu, HI	*Boston, MA	Camden, NJ
**Houston, TX	Chicago, IL	Cincinnati, OH
Jacksonville, FL	*Corpus Christi, TX	Cleveland, OH
**Long Beach, CA	Detroit, MI	Duluth-Superior, MN/WI
**Los Angeles, CA	Lake Charles, LA	Freeport, TX
**New Orleans, LA	Memphis, TN	**Galveston, TX
**New York/New Jersey	Mobile, AL	Huntington, WV
*Norfolk Harbor, VA	*Newport News, VA	Marcus Hook, NJ
**Oakland, CA	**Port Arthur, TX	*Miami, FL
Philadelphia, PA	*Port Everglades, FL	Paulsboro, NJ
Savannah, GA	Portland, ME	Pittsburgh, PA
**Seattle, WA	Portland, OR	Port Canaveral, FL
	*San Diego, CA	Portsmouth, NH
	**South Louisiana, LA	**Richmond, CA
	St. Louis, MO	**San Francisco, CA
	**Tacoma, WA	San Juan, PR
	**Texas City, TX	Tampa, FL
	Wilmington, NC	**Valdez, AK
		Wilmington, DE

Group 4: Critical Coastal and non-port areas

It is intended that these areas will be provided AIS capability primarily covering locations with moderate AIS-equipped vessel density (e.g., points where AIS-equipped vessels transit within 24nm of the shoreline), mid-sized harbors and areas where there is access to infrastructure (e.g., Coast Guard owned or leased towers, property, structures) and network connectivity. Gaps in coverage within the larger areas will be acceptable. The specific harbors and locations provided below are not identified as specific locations for installation of AIS equipment; however they should be included in the coverage area.

- US Waters of the Great Lakes:
 - Lake Superior: West End (Two Harbors, MN), Keweenaw Peninsula, MI, Marquette, MI
 - Lake Michigan: Straits of Mackinac (St Ignace, Charlevoix, Mackinaw City, MI), Door Peninsula (Green Bay, Sturgeon Bay, WI); Milwaukee, WI; South End (Gary, Indiana Harbor, Michigan City, IN), Holland/Grand Haven/Muskegon, MI
 - Lake Huron: Alpena, MI, Bay City, MI, Port Huron, MI
 - Lake Erie: Toledo, OH, Lorain, OH, Erie, PA, Buffalo, NY
 - Lake Ontario: Rochester/Sodus/Oswego, NY
- California/Oregon Coast from Mexican Border to Cape Blanco:
 - Oceanside, CA; Santa Barbara Channel (Point Conception, Santa Barbara, Channel Islands, CA); Point Sur, CA; Point Arena, CA; Cape Mendocino, CA; Lost Coast (Eureka, Crescent City, CA); Cape Blanco, OR
- Delaware Bay Approaches (Cape May, Cape Henlopen)
- *Unimak Pass, AK
- Cape Hatteras, NC




**Homeland
Security**

MAY 27 2008

ACQUISITION DECISION MEMORANDUM

MEMORANDUM FOR: Vice Admiral Robert J. Papp
U.S. Coast Guard Chief of Staff

FROM: Elaine C. Duke 
Deputy Under Secretary for Management

SUBJECT: RESCUE 21 Acquisition Program Baseline (Revision 5)

The Acquisition Program Baseline (Revision 5) for the RESCUE 21 Program submitted by the U.S. Coast Guard in February 2008 has been reviewed and approved. The Acquisition Program Baseline (Revision 5) serves as the documented program of record for the RESCUE 21 Program.

If you have any questions, please contact Page Glennie at (202) 447-5492.

cc: Acting Deputy Secretary
Under Secretary for Science and Technology
Assistant Secretary for Policy
Chief Financial Officer
Chief Procurement Officer
Chief Information Officer
Chief Administrative Services Officer

DEPARTMENT OF HOMELAND SECURITY U. S. COAST GUARD CG-4229 (Rev. 3-03)	<h1 style="margin: 0;">DIGEST</h1>	APPROVAL: <input type="checkbox"/> SIGNATURE: <input type="checkbox"/> INFORMATION: <input checked="" type="checkbox"/>
<p> From: CG-938 <i>[Signature]</i> 03 January 2008 To: CG-01 Thru: CG-93D <i>[Signature]</i> 1/27/08 CG-93 <i>[Signature]</i> 1/27/08 CG-9D <i>[Signature]</i> 1/27/08 CG-9 <i>[Signature]</i> 1/27/08 Re: RESCUE 21 APB Revision 5 </p> <p> <i>Please set up a meeting between CG-9, CG-8, and me.</i> <i>H. T. B. 1/27/08</i> <i>2/5</i> </p> <p> 1. During the Rescue 21 annual brief to you (25Jun2007) and CG-00 (05Jul2007), the PM notified you of a potential breach to cost and schedule projected to occur in FY 2011. Based on your guidance that the CIP could not be adjusted until FY 2010, the PM briefed that the revised Total Acquisition Cost (TAC) would be \$954M (vice \$730.2M per APB Rev. 4) with full production complete (FPC) in 2013 (vice 2011 in APB Rev.4). On 06Jul2007, the PM briefed DHS Under Secretary for Management, Mr. Paul Schneider, on these estimates, and he directed the Coast Guard to submit an APB revision consistent with these estimates. </p> <p> 2. After the annual brief, the Coast Guard received the FY 2009-2013 CIP. It does not provide the out-year funding necessary to achieve FPC by 2013. The CIP funding will not support concurrent efforts by the production contractor (deployment to coastal CONUS, Great Lakes, and OCONUS islands) and Coast Guard (deployment to the Western Rivers and Alaska and Vessel Subsystem (VSS) installations). In addition, several unfunded federal IT security and protocol changes have been mandated, and the sponsor's representative is preparing Change 2 to the Rescue 21 ORD that will levy a new requirement for Rescue 21 to receive, process, and display 406 MHz EPIRB signals. </p> <p> 3. Based on the above factors (with the CIP out-year funding resulting in schedule delays being the primary factor), the revised TAC estimate is \$1,066M, with FPC in 2017 (GDC4S deployment and Western Rivers complete in 2012, VSS in 2015, and Alaska in 2017). It should be noted, though, that by 2012, 85% of the production effort will be complete in terms of the number of remote fixed facilities deployed. Rescue 21 APB (Rev. 5) is attached for your approval. </p> <p> Copy: CG-8 CG-82 </p>		
SIGNER'S COMMENTS		

U.S. Department of
Homeland Security

United States
Coast Guard



Commandant
United States Coast Guard

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MEMORANDUM

From: Vice Admiral Robert J. Papp
U.S. Coast Guard Chief of Staff (CG-01)

Reply to: CG-924
Attn of: P. Boyd
(202) 475-3150

To: Mr. Paul A. Schneider
DHS, Acting Deputy Secretary and Under Secretary for Management

Thru: Mr. Richard N. Williams
Director, Program Analysis and Evaluation

Subj: RESCUE 21 ACQUISITION PROGRAM BASELINE REVISION

Ref: (a) DHS Investment Management Handbook (Draft), Ver 0.14, March 2006
(b) Rescue 21 DHS Periodic Report 1Q FY08

1. Rescue 21 Description. Rescue 21 is a DHS Level 1 command, control, and communications (C3) system capital investment that is replacing the Coast Guard's antiquated legacy National Distress and Response System and is greatly improving the Coast Guard's ability to execute all missions in the coastal zone. Rescue 21 provides significantly increased capabilities resulting in improved response to distress calls, while also increasing coordination and interoperability with federal, state, local, and first responder agencies. The system provides dual mode (digital and analog) VHF and UHF communications coverage, leverages direction-finding technology to more accurately locate the source of distress calls, upgrades playback and recording features, enhances distress call clarity, reduces coverage gaps, provides increased operational availability, and provides Digital Selective Calling (DSC) capabilities necessary for U.S. compliance with the International Maritime Organization's Safety of Life at Sea (SOLAS) treaty.

2. Background.

a. In December 2006, the Coast Guard conducted an Integrated Baseline Review (IBR) on the first 11 Full Rate Production (FRP) sectors and subsequently prepared a revised post-IBR life cycle cost estimate (LCCE) to reassess both the acquisition and life cycle costs. The revised LCCE was derived using actual costs and Earned Value Management data for the five months following the IBR, contract definitization for system deployment in the nine FRP Group II sectors (Carolinas, New England, and Northern and Southern California), "handshake" agreement between the Coast Guard and the production contractor for the seven FRP Group III sectors (Great Lakes and OCONUS Islands), plus the results of the first study to estimate the cost to deploy the system in Alaska. This internal assessment indicated that the current APB (Rev. 4) underestimates the total acquisition and life cycle costs. Subsequently, the Coast Guard definitized and awarded to the production contractor all work to deploy and maintain the Rescue 21 system in the FRP Group II and Group III sectors, conducted an IBR on the FRP Group II sectors, and contracted for an independent LCCE utilizing the Automated Cost Estimating Integrated Tools (ACEIT) program to validate the project's Total Acquisition Cost (TAC) and LCCE.

Subj: Rescue 21 ACQUISITION PROGRAM BASELINE REVISION

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b. On July 6, 2007, the Coast Guard briefed you on a revised Rescue 21 TAC estimate of \$954M, LCCE of \$2,200M and full production complete in FY 2013, and was directed to submit a formal APB revision consistent with these values. However, in the ensuing months, the Coast Guard's FY 2009-2013 Acquisition, Construction, and Improvement (AC&I) Capital Investment Plan (CIP) modified the out-year funding assumed when preparing the July 2007 cost and schedule estimates. Current Coast Guard out-year funding projections indicate that there is insufficient funding to support deployment of the system in the coastal CONUS, Great Lakes, and OCONUS Islands sectors by the production contractor concurrently with deployment in the Western Rivers and Alaska sectors, plus vessel subsystem (VSS) installations by the Coast Guard as previously planned. This will require a delay in deployment of government upgrades and new system deployment in the Western Rivers and Alaska sectors plus VSS installations in order to complete deployment work by the contractor. This is the most efficient and cost effective solution given the out-year funding available. Additionally, several unfunded federal IT security and protocol changes have been mandated, and the project's sponsor is levying a new requirement for the system to receive, process, and display 406 MHz Emergency Position Indicating Radio Beacon (EPIRB) signals. These factors result in the Coast Guard being unable to adhere to the earlier cost and schedule estimates, as briefed.

3. APB Revision. This APB revision is submitted in anticipation of a projected breach to cost and schedule parameters in FY2011. The Coast Guard projects a TAC increase of \$335.8M from APB (Rev. 4) to a new estimate of \$1,066M, and an LCCE increase of \$1,225M from APB (Rev. 4) to a new estimate of \$2,662M. A significant portion of the increase in the TAC and LCCE is due to the schedule extension related to out-year funding. The Coast Guard estimates that all Rescue 21 system deployment by the production contractor will be completed in FY 2012. The Coast Guard's recapitalization of the legacy system on the Western Rivers will also be completed in FY 2012. Coast Guard deployment of the VSS will be completed in FY 2015, and deployment to Alaska will be completed in FY 2017. It should be noted that by 2012, 85% of the production effort will be completed in terms of the number of remote fixed facilities deployed. All Rescue 21 Key Performance Parameters (KPP) remain within the current approved baseline.

4. Recommendation. I request you approve the revised Rescue 21 APB provided as enclosure (1). Reference (b) forwarded the Rescue 21 remediation plan which provides further analysis and outlines positive corrective actions being taken to control costs and schedule throughout the project's Full Rate Production phase.

#

Enclosure: (1) Rescue 21 Acquisition Program Baseline (Revision 5)

ACQUISITION PROGRAM BASELINE

for

RESCUE 21

(Revision 5)

Submitted by:


Project Manager (CG-938)1/3/2008
Date

Validated by:


Office of Acquisition Support (CG-924)1/10/2008
Date

Endorsed by:


Director of Acquisition Programs (CG-93)1/22/2008
Date

Endorsed by:


Chief Acquisition Officer (CG-9)1/22/2008
Date

Approved by:


USCG Chief of Staff (CG-01)8 FEB 2008
Date

DHS Acquisition Decision Memorandum Approval Received

Date

RESCUE 21
Acquisition Program Baseline

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RESCUE 21
Acquisition Program Baseline

References

- a. COMDTINST M5000.10, United States Coast Guard Major Systems Acquisition Manual (MSAM)
- b. Mission Need Statement approved on 13 July 1995 (validated 12 April 2005 for Full Production Milestone Decision)
- c. Operational Requirements Document (Revision 1) approved on 20 August 2001 (validated 12 April 2005 for Full Production Milestone Decision)
- d. DHS RESCUE 21 Acquisition Decision Memorandum approving Full Production for Ground Subsystem – received 22 June 2005
- e. Acquisition Program Baseline (Revision 4), approved on 10 April 2006

Introduction

RESCUE 21, formerly known as the National Distress and Response System Modernization Project (NDRSMP), is an advanced command, control, and communications system that is replacing the antiquated communications system now being used to monitor the international VHF-FM distress frequency, coordinate search and rescue operations, and communicate with commercial and recreational vessels. RESCUE 21 provides effective, reliable voice communications between Coast Guard assets performing a variety of Coast Guard missions, and provides protected communications for interoperability with other federal, state, and local law enforcement and first responder agencies. The system leverages advanced direction finding technology to more accurately locate the source of distress calls and provides Digital Selective Calling (DSC) capabilities necessary for U.S. compliance with the International Maritime Organization Safety of Life at Sea (SOLAS) treaty for Global Maritime Distress and Safety System (GMDSS) Sea Area 1 requirements. RESCUE 21 also provides for the rapid restoration of critical communications following a disaster through the use of portable antenna towers.

The RESCUE 21 acquisition follows a phased approach, first reflected in the Acquisition Plan approved on 19 May 1998. The Acquisition Plan has since been revised several times, including on 11 March 2002 following Key Decision Point (KDP) 2, and again on 28 April 2005 in advance of KDP 3. The current version of the RESCUE 21 Acquisition Plan (Rev. 5), approved on 09 September 2007 following completion of the project's Initial Operational Capability (IOC) and Low Rate Initial Production (LRIP) phases, incorporates various corrective actions subsequent to Revision 4 of this document, plus recommendations from a 2006 Defense Acquisition University (DAU) review of the project. Phase I of the RESCUE 21 acquisition covered the project's Concept and Technology Development phase and Phase II encompasses Capability Development and Demonstration and Production and Deployment. The project entered Phase II on 03 March 2002 following KDP2 approval, and the RESCUE 21 Phase II contract was awarded to General Dynamics C4 Systems (GDC4S) on 20 September 2002. The project achieved Initial Operating Capability (IOC) in Dec 2005, completed Low Rate Initial Production (LRIP) in Dec 2006, and Full Rate Production (FRP) deployment efforts are fully underway.

RESCUE 21 Acquisition Program Baseline

Section A: Revision Summary

The RESCUE 21 Acquisition Program Baseline was initially approved on 16 April 1999 and established the project's cost, schedule and performance baselines. APB (Rev. 1) was approved on 16 November 1999 and updated the project's cost and schedule parameters. However, cost estimates from the three RESCUE 21 Phase I contractors exceeded the approved cost baseline, resulting in the Coast Guard conducting an extensive review of the RESCUE 21 Operational Requirement Document (ORD) and subsequently approving Change One to the ORD on 20 August 2001. APB (Rev. 2) was approved on 27 August 2001 revising project cost and schedule parameters and aligning performance parameters with ORD (Change One). APB (Rev. 3), approved on 25 May 2005, was submitted in support of KDP 3 (September 2005), and revised the project's cost and schedule parameters to reflect cost overruns and schedule slips experienced during Concept and Technology Demonstration. APB (Rev. 4) was approved on 10 April 2006 as a result of a breach to cost rather than provide full RESCUE 21 capability. This revision also incorporated the \$10.2M received by the Coast Guard via Hurricane Supplemental, P.L. 109-148 (Katrina/Rita - Reconstitution of Distress Communications (AC&I)) into the project's cost baseline and re-categorized and combined the original performance parameters into 11 Key Performance Parameters (KPP).

Following approval of APB (Rev. 4), the Coast Guard issued a Termination for Convenience of the Government on 21 April 2006 for the production contractor's Vessel Subsystem (VSS) work on CG small boats. The Coast Guard's Office of C2 and Navigation Systems (CG-64) has been selected as the VSS system integrator, and Rescue 21 funds are being used to provide UHF, VHF and Digital Selective Calling (DSC) capabilities. The deferred VSS capabilities (asset tracking and data transfer) are being provided by the Coast Guard's Office of C4 and Sensor Capabilities (CG-761). Also within APB (Rev. 4), the Coast Guard committed to recapitalizing the legacy system in the three Western Rivers sectors (Ohio River Valley, Upper and Lower Mississippi River), vice installing full RESCUE 21 capabilities. On 21 January 2007, the Coast Guard's Rescue 21 Acquisition Executive directed the service to assume the role of system integrator for the deployment of a modified system design in Alaska, resulting in a more cost effective and feasible solution for the unique Alaska operating area. The Coast Guard will not exercise the specific contract line items for Alaska system deployment with the production contractor. On 08 August 2007, the Rescue 21 Alaska Project Resident Office (PRO) in Juneau, AK was commissioned and chartered to execute system deployment.

This APB revision is submitted in anticipation of a projected breach to cost and schedule parameters in FY2011. As recommended by the Government Accountability Office (GAO) report, "U. S. Coast Guard: Improvements Needed in Management and Oversight of Rescue System Acquisition (GAO-06-023)," the Coast Guard conducted an Integrated Baseline Review (IBR) in December 2006 on the

RESCUE 21 Acquisition Program Baseline

first 11 Full Rate Production (FRP) Group I sectors (Western Gulf Coast, Florida, New York, and Oregon), and subsequently prepared a revised post-IBR life cycle cost estimate (LCCE) to reassess both the investment and life cycle costs of the Rescue 21 system. The revised LCCE was derived using Earned Value Management data for the five months following the IBR, actual full rate production data, contract finalization for system deployment in the nine FRP Group II sectors (Carolinias, New England, and Northern and Southern California), "handshake" agreement for system deployment in the seven FRP Group III sectors (Great Lakes and OCONUS islands of Hawaii, Guam, and Puerto Rico), plus the results of the first independent study to estimate the cost to deploy and maintain the Rescue 21 system in Alaska. These assessments indicated that APB (Rev. 4) underestimates the ongoing costs of Coast Guard and contractor project management, FRP regional deployment efforts, and system operations and maintenance costs. Subsequently, the Coast Guard redefined and awarded to the production contractor all contract work to deploy the system in the FRP Group II and Group III sectors. In November 2007, the Coast Guard conducted an IBR on the nine FRP Group II sectors; an IBR for the FRP Group III sectors is planned for 2008. The Coast Guard also contracted an independent LCCE utilizing the Automated Cost Estimating Integrated Tools (ACEIT) program to validate the project's Total Acquisition Cost (TAC) and LCCE values concurrent with this APB revision.

Concurrent with the above assessments of project cost and schedules baselines indicating a possible breach in FY 2011, the Coast Guard has been directed to incorporate various externally driven, unfunded mandates necessary to maintain Rescue 21 system compliance with federal Information Technology (IT) protocols and standards requirements. Additionally, the project's sponsor is finalizing Change Two to the Rescue 21 ORD that establishes a new requirement for the system to detect and process 406 MHz Emergency Position-Indicating Radio Beacon (EPIRB) signals. Coincident with the formulation of the project's corresponding cost and schedule baseline revisions, the Coast Guard prepared and submitted the service's FY 2009-2013 Acquisition, Construction and Improvement (AC&I) Capital Investment Plan (CIP). This FY 2009-2013 CIP modified the time phased budgeting assumed when formulating initial revised cost and schedule estimates and directly resulted in further schedule delays and a corresponding increase in TAC and LCCE estimates. The FY 2008 Omnibus appropriations bill enacted reflects a \$500K reduction from the FY 2008 President's Budget Request for Rescue 21. The currently planned out-year funding is less than the out-year funding originally used for internal planning and budgeting, further impacting project cost and schedule baseline estimates.

Current Coast Guard out-year funding projections indicate that there is insufficient funding to support deployment of the system in the coastal CONUS, Great Lakes, and OCONUS Islands sectors by the production contractor concurrently with deployment in the Western Rivers and Alaska sectors, plus VSS installations by the Coast Guard as previously planned. This results in delaying the deployment of required government upgrades and system deployment in the Western Rivers and Alaska sectors plus VSS installations in order to complete deployment work by the contractor. This is the most efficient and cost effective solution given the out year funding available.

RESCUE 21 Acquisition Program Baseline

Due to an independent cost estimate of the Alaska deployment, actual deployment costs, a recent IBR, and reductions in available out year funding, the Coast Guard projects a Total Acquisition Cost (TAC) increase of \$335.8M from APB (Rev. 4) to a new estimate of \$1.066M, and an LCCE increase of \$1.225M from APB (Rev. 4) to a new estimate of \$2.662M. The Coast Guard also projects a corresponding schedule delay in Full Production Complete (FPC). However, by 2012, 85% of the production effort will be completed in terms of the number of planned Rescue 21 remote fixed facilities deployed. The Coast Guard estimates that all Rescue 21 system deployment activities by the production contractor (coastal CONUS, Great Lakes, OCONUS Islands) will be completed in FY 2012. The Coast Guard's efforts to recapitalize the legacy system on the Western Rivers (Sectors Upper Mississippi River, Lower Mississippi River, and Ohio River Valley) will also be completed in FY 2012. The Coast Guard deployment of the Vessel Subsystem will be completed in FY 2015, and Coast Guard system deployment in Alaska in FY 2017.

Several factors are largely responsible for the increase in the project's LCCE from APB (Rev. 4), primarily the additional costs incurred because of schedule delays. While contractor project management costs have been extended by one year (from FY 2011 to FY 2012), Coast Guard project management costs have been extended through the completion of Alaska system deployment in FY 2017. A significant portion of the LCCE increase is due to the calculation of estimated useful life in this estimate through FY 2027, while the previous cost analysis calculated an estimated useful life through FY 2021. These six additional years are not accounted for in the previous LCCE and include ongoing contractor maintenance costs, commercial tower leases, commercial circuit and network costs, and Coast Guard life cycle management costs. This LCCE also reflects more realistic estimates of future costs for ongoing system technology refresh/equipment obsolescence. The revised LCCE also assumes 100% contractor maintenance throughout the system's estimated useful life, in accordance with current system maintenance philosophy. The Coast Guard has contracted for a long-term operations and maintenance (O&M) study to evaluate this maintenance philosophy and to assess alternate maintenance options, including utilizing a blend of contractor and organic resources to provide the most cost effective long-term strategy. The LCCE will be revised as appropriate after analyzing the final O&M study results. The independent Alaska cost study estimated \$110-125M for the Coast Guard to deploy the system in Alaska, vice the \$53M that was budgeted in APB (Rev. 4). The Coast Guard assumed the role of system integrator in Alaska when a third party study and cost estimate made it clear that this would be the optimal approach from a benefit/cost viewpoint. Lastly, the previous LCCE assumed Constant Year FY 2002 dollars, while the current LCCE assumes Then Year dollars, in accordance with DHS guidance. The growth in project LCCE is largely attributable to these factors.

RESCUE 21 Acquisition Program Baseline

Section B: Top Level Investment Baseline

RESCUE 21 is an advanced command, control, and communications system that is greatly improving the Coast Guard's ability to execute all missions in the coastal zone and is essential to meet the Service's Search and Rescue (SAR) mission program performance goals. Along with other investments, RESCUE 21 will enable the Coast Guard to meet FY 2008 and beyond SAR performance goals of saving at least 87% of mariners in distress on the Nation's oceans and waterways. Upon completion, RESCUE 21 will provide dual mode (digital and analog) VHF and UHF communications coverage along more than 95,000 miles of coastline, navigable rivers and waterways throughout the continental United States, Alaska, Hawaii, Guam and Greater Antilles, and will consist of 39 Coast Guard Sector Command Centers or Group/Air Stations outfitted with RESCUE 21 hardware, software and supporting communications equipment. RESCUE 21 leverages direction-finding technology to more accurately locate the source of distress calls, provides expanded communications coverage, enhances distress call clarity, upgrades playback and recording features, increases operational availability, enhances protected communications and interoperability with federal, state and local first responders, complies with the Federal mandate for narrowbanding, and renders the United States compliant with the Digital Selective Calling (DSC) requirements of the International Maritime Organization (IMO) Safety of Life at Sea (SOLAS) treaty for Global Maritime Distress and Safety System (GMDSS) Sea Area A1. As of 31 December 2007, RESCUE 21 is standing watch along over 10,000 miles of U.S. coastline and significantly increasing the Coast Guard's ability to detect and respond to maritime distress calls in the coastal zone, resulting in significant maritime safety benefits to the U.S. public. Additionally, Rescue 21's direction finding capability is allowing Coast Guard operators to identify suspected hoax calls and reduce unnecessary responses to these calls. As the system is deployed throughout the remaining RESCUE 21 regions, the Coast Guard expects to improve its SAR mission-program performance as well as further support departmental strategic goals and objectives.

Aligned with the DHS strategic goal of Awareness, RESCUE 21 will enhance the Coast Guard's ability to identify and understand threats, assess vulnerabilities, determine potential impacts, and disseminate timely information to our homeland security partners and the American public. Specifically, RESCUE 21 will enable the Coast Guard to satisfy objective 1.4 to ensure quick and accurate dissemination of relevant intelligence information to homeland security partners, including the public.

Aligned with the DHS strategic goal of Prevention, RESCUE 21 will enhance the Coast Guard's ability to detect, deter, and mitigate threats to our homeland. Specifically, RESCUE 21 will enable the Coast Guard to satisfy objective 2.5 to strengthen the security of the Nation's transportation systems.

RESCUE 21
Acquisition Program Baseline

Aligned with the DHS strategic goal of Protection, RESCUE 21 will enhance the Coast Guard's ability to safeguard our people and their freedoms, critical infrastructure, property, and the economy of our nation from acts of terrorism, natural disasters, or other emergencies. Specifically, RESCUE 21 will enable the Coast Guard to satisfy objective 3.1 to protect the public from acts of terrorism and other illegal activities.

Aligned with the DHS strategic goal of Response, RESCUE 21 will enhance the Coast Guard's ability to lead, manage, and coordinate National Response Plan obligations in response to acts of terrorism, natural disasters, or other emergencies. Specifically, RESCUE 21 will enable the Coast Guard to satisfy objective 4.1 to reduce the loss of life and property by strengthening nationwide response readiness; and objective 4.3 to provide search and rescue services to people and property in distress.

Aligned with the DHS strategic goal of Recovery, RESCUE 21 will directly enable the Coast Guard to lead national, state, local, and private sector efforts to restore services and rebuild communities after acts of terrorism, natural disasters, or other emergencies. Specifically, RESCUE 21 will enable the Coast Guard to satisfy objective 5.1 to strengthen nationwide recovery plans and capabilities; and objective 5.2 to provide scalable and robust all-hazard recovery assistance.

RESCUE 21
Acquisition Program Baseline

Section B.1: Investment Performance

The original APB Baseline through Revision 3 included over 30 performance parameters. APB (Rev. 4) included a critical look at the original 30 performance parameters and identified 11 KPPs in compliance with DHS guidance. The remaining performance parameters are still categorized as Critical Technical Parameters (CTP), and are listed in Section C for traceability with previous APB versions. APB (Rev. 5) does not include any revisions to performance parameters.

Rev. 5.0
January 2008

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RESCUE 21 Acquisition Program Baseline

Section B.1: Investment Performance (continued)

Performance Phase: P&D	Baseline 15-Apr-09	Revision #2 27-Aug-01	Revision #4* 10-Apr-06
Key Parameter	Threshold	Objective	Objective
Communication Area Coverage	Greater of 20NM or existing coverage in designated navigable waterways	Greater of 20NM or existing coverage in designated navigable waterways	95% of 20NM coastal coverage in Alaska and 100% coverage in other part of CONUS. Alaska coverage per CG PACAREA memo 2000 (04 4 Aug 2005). ¹ No Rescue 21 capability in Ohio River Valley, Upper Mississippi, and Lower Mississippi River basins of current coverage/capability only. ²
Communication Interoperability	Supports communications between Coast Guard Assets, Maritime Customs and Marine Patrols	Same as threshold	
Distress Communications	Provide a continuous and uninterrupted path to receive and transmit distress alerts (CH16 and 19) across the entire USCG fleet	Same as threshold	
Offshore Vessel Communications	Provide a continuous voice path across the entire USCG fleet	Same as threshold	Same as threshold
Information Protection	Provides protection for the transmission of sensitive but unclassified (SBU) voice and data	Same as threshold	Same as threshold
Asset Tracking	Provide asset tracking via integrated assets		
Alarm Notification	Automatic transmission of broadcast	Provide asset status information	Provide protection for the transmission of sensitive but unclassified (SBU) voice and data. Performance Parameter as used in Voice and Data CIP in Section E.
Performance Review:			Deferred ³

(1) APR Revision 1 (16 Nov 90), Revision 3 (25 May 95), and the Revision 5 (Jan 00) do not include any changes to performance parameters, and are not shown.
 (2) APR Revision 4 (10 Apr 06) incorporated original objective and threshold performance parameters into reduced number of KPPs.
 (3) For Alaska, existing NCS coverage augmented as defined in CG PACAREA memo 2000 (04 4 Aug 2005), and will be reflected in pending ORD Change 2).
 (4) Western known navigation will be reflected in pending ORD Change 2).
 (5) Parameter defined based on interagency concerns and desire for discontinuation throughout the Coast Guard fleet and will be reflected in pending ORD Change 2).

RESCUE 21 Acquisition Program Baseline

Section B.1: Investment Performance (continued)

Performance Phase: PAD	Baseline 15-Apr-90	Revision 22 27-Aug-01	Revision 24 10-Apr-06	Objective
Key Parameters of Coverage and Accuracy	Threshold: 100% availability of land waterways: ± 20 square nautical miles or 1 Line of Bearing; nautical miles on a brief signal	Threshold: 100% availability of land waterways: ± 20 square nautical miles or 1 Line of Bearing; nautical miles on a brief signal	Threshold: 100% availability of land waterways: ± 20 square nautical miles or 1 Line of Bearing; nautical miles on a brief signal	Objective: 100% availability of land waterways: ± 20 square nautical miles or 1 Line of Bearing; nautical miles on a brief signal
Recording, Archiving, and Retrieval	Record all voice and data communications in designated units. Archive designated communications at designated units. Provide instant playback of undistorted communications w/ of CG Groups/Activities.	Record all voice and data communications in designated units. Archive designated communications at designated units. Provide instant playback of undistorted communications w/ of CG Groups/Activities.	Record all voice and data communications in designated units. Archive designated communications at designated units. Provide instant playback of undistorted communications w/ of CG Groups/Activities.	Record all voice and data communications in designated units. Archive designated communications at designated units. Provide instant playback of undistorted communications w/ of CG Groups/Activities.
Availability of a specified geographic area (Distress, Search, and Other Communications)	Threshold: 100% availability of a specified geographic area (Distress, Search, and Other Communications)	Threshold: 100% availability of a specified geographic area (Distress, Search, and Other Communications)	Threshold: 100% availability of a specified geographic area (Distress, Search, and Other Communications)	Threshold: 100% availability of a specified geographic area (Distress, Search, and Other Communications)
Recoverability	Threshold: 100% availability of a specified geographic area (Distress, Search, and Other Communications)	Threshold: 100% availability of a specified geographic area (Distress, Search, and Other Communications)	Threshold: 100% availability of a specified geographic area (Distress, Search, and Other Communications)	Threshold: 100% availability of a specified geographic area (Distress, Search, and Other Communications)

Performance Parameters:
(1) APR Revision 1 (10 Nov 90), and this Revision 5 (Jan 06) do not include any changes to performance parameters, and we not shown.
(2) APR Revision 4 (10 Apr 98) incorporated original objective and threshold performance parameters into reduced number of KPIs.
(3) For Alaska, existing NDS coverages augmented as outlined in CG PACAREA memo 2000 and 4 Aug 2005, and will be reflected in pending OMD (Change 2).
(4) Western Flavors recapitalization will be reflected in pending OMD (Change 2).

RESCUE 21
Acquisition Program Baseline

Section B.1: Investment Performance (continued)

Technical Performance Measurement

The following is the list of Project Management tools that are in place and utilized by the government to monitor technical performance during the Production and Deployment phase:

- Review of Regional Site Acceptance Testing (RSAT) procedures: For each full rate production sector or group/air station, the production contractor, General Dynamics C4 Systems (GDC4S), develops RSAT procedures in accordance with the contract requirements to ensure that each follow-on installation functions and operates in accordance with required system performance and unique regional requirements, and as an integrated part of RESCUE 21.
- Witnessed RSAT and review of RSAT reports: For each full rate production sector, RSAT is conducted by GDC4S and witnessed by the Coast Guard to validate that the approved RESCUE 21 design is appropriately configured to account for Region-specific conditions. RSAT includes a modified Physical Configuration Audit (PCA) to verify the accuracy of each regional design and installation. The RSAT report documents the regional performance results, identifies all deviations from technical performance requirements, and includes GDC4S recommended Corrective Actions to resolve any discrepancies/deviations.
- Independent validation of Coverage and Characterization Testing: During RSAT at each full rate production sector, GDC4S installs special test equipment onboard USCG vessels to perform direction finder alignment and conduct coverage testing, audio and voice quality calibration runs. The data produced is analyzed by GDC4S and a formal report provided to the Coast Guard. The Coast Guard reviews the data and has established an agreement with the U.S. Navy's Space and Naval Warfare Command (SPAWAR) to conduct an independent government analysis of the raw GDC4S coverage data and validate the contractor's results. The Coast Guard has characterized the service's 41 and 47ft patrol boats for use in all remaining RSATs.
- Review of Operational Availability (A₀) data: As each RESCUE 21 sector is accepted by the Coast Guard and becomes operational, that sector is incorporated into GDC4S' A₀ monitoring of the RESCUE 21 system. The RESCUE 21 contract requires GDC4S to provide monthly A₀ reports for the overall system plus 16 discrete system functions, which are reviewed by the Coast Guard to ensure compliance with system key performance parameters.

Section B.2: Investment Cost at Completion

[illegible]

The RESCUE 21 contract requires that GDC4S use an earned value methodology to measure project progress. GDC4S prepares and submits monthly Contract Performance Reports (CPR) showing visibility at the RESCUE 21 project level as well as at the sector level. The CPR is an output of GDC4S's Earned Value Management System and has five standard formats, which combine to provide visibility into GDC4S's cost and schedule performance such, including subcontracted work, task critical paths, problem areas, and planned corrective actions to eliminate or reduce cost/schedule negative variances. The Coast Guard and the contractor have conducted Integrated Baseline Reviews (IBR) on the FRP Group I and II sectors; an IBR for FRP Group III will be held in 2008.

RESCUE 21 Acquisition Program Baseline

Section B.3: Investment Schedule

Schedule	Baseline 16-Apr-99		Revision #1 18-Nov-99		Revision #2 27-Aug-01		Revision #3 23-May-05		Revision #4 10-Apr-06		Revision #5 Jan-08	
	Objective	Threshold	Objective	Threshold	Objective	Threshold	Objective	Threshold	Objective	Threshold	Objective	Threshold
KDP 2	20FY99	30FY99	20FY99	40FY99								
KDP 2/3	30FY00	10FY01										
Contract Award			20FY00	40FY00								
Phase I Contract Award												
Design Completion	30FY01	10FY02										
Preliminary Design Review			30FY01	10FY02								
Phase II Contract Award			30FY02	10FY03								
KDP 3			40FY01	20FY02			30FY05	30FY05	09/05			
Initial Operational Capability	30FY02	10FY03	10FY03	40FY03			30FY05	30FY05	12/05			
KDP 4	FY02	FY03	30FY03	10FY04			Deleted	Deleted				
Full Production Complete (FPC)	FY05	FY06	FY05	FY06			FY07	FY08	FY11		USC3	FY12 ² Breach

Schedule Revisions:

- Schedule Revisions:**
- (1) IOC was delayed due to incorporation of Human System Interface software enhancements resulting from OT&E. IOC was achieved on 20 Dec 2005.
- (2) Based on Coast Guard assessments of revised project cost and schedule estimates and our budget profiles, PFC is expected to be delayed until FY17.
- (3) The Coast Guard estimates that all production contractor system deployment work in coastal CONUS, Great Lakes, and OCONUS islands sectors will be completed in FY 2012. USCG system deployment in Western Rivers sectors will be completed in FY 2012. Vessel Subsystem (VSS) installations in FY 2013, and Alaska deployment in FY 2017. The primary driver for schedule revisions is available out-year funding.

Schedule Performance Measurement

RESCUE 21 uses an Integrated Project Schedule (IPS) that logically networks the detailed program activities. The IPS is the foundation of the program schedule and provides the traceability and summarization of program activities. The IPS shows events and accomplishments to monitor the overall progress of the program and is used to verify program objectives and evaluate progress of GDC 4S and subcontractor teams in meeting the program milestones. The IPS is also the foundation for GDC4S' earned value performance measurement baseline against which project cost and schedule performance are measured and tracked. The Coast Guard and the contractor have conducted Integrated Baseline Reviews (IBR) on the FRP Group I and II sectors; an IBR for FRP Group III will be held in 2008.

Performance Revision:

- (1) APFS Revision 1 (16 Nov 99), Revision 3 (28 May 05), and this Revision 5 (Jan 08) do not include any changes to performance parameters, and are not shown.
- (2) APFS Revision 4 (10 Apr 05) incorporated original objectives and threshold performance parameters into reduced number of APFS.

Section C: Critical Technical Parameters (continued)

[illegible]

Performance Revision:


(1) APB Revision 1 (16 Nov 99). Revision 3 (25 May 03), and this Revision 5 (Apr 04) do not include any changes to performance parameters, and are not shown.

(2) APB Revision 4 (10 Apr 03) incorporated original objective and threshold performance parameters into reduced number of steps.

FEB 22 2011

**Homeland
Security****ACQUISITION DECISION MEMORANDUM**

MEMORANDUM FOR: Admiral Robert J. Papp, Jr.
Commandant
United States Coast Guard

FROM: Rafael Borras 
Under Secretary for Management

SUBJECT: Approval of United States Coast Guard Acquisition Program
Baseline for H-65 Conversion/Sustainment Project

The Department of Homeland Security (DHS) Acquisition Program Management Division (APMD) has reviewed the updated United States Coast Guard's (USCG's) H-65 Conversion/Sustainment Project Acquisition Program Baseline (APB). The H-65 Project modernizes a proven USCG legacy helicopter and transforms the aircraft into a highly capable multi-mission DHS interoperable aviation asset.

This APB is submitted to reflect schedule changes resultant from the fiscal year 2011-2015 Capital Investment Plan. This version of the APB (v2.0) for H-65 Conversion/Sustainment Project is approved.

It is the responsibility of the USCG Assistant Commandant for Acquisition to appropriately promulgate the decisions and directions of this Acquisition Decision Memorandum (ADM) to the affected organizations. The APMD will provide support and assistance. Please send action items, status and supporting documentation to APMD.CAD@hq.dhs.gov. Should you have any questions, please contact Gibson Kerr at (202) 447-0509.

Attachment

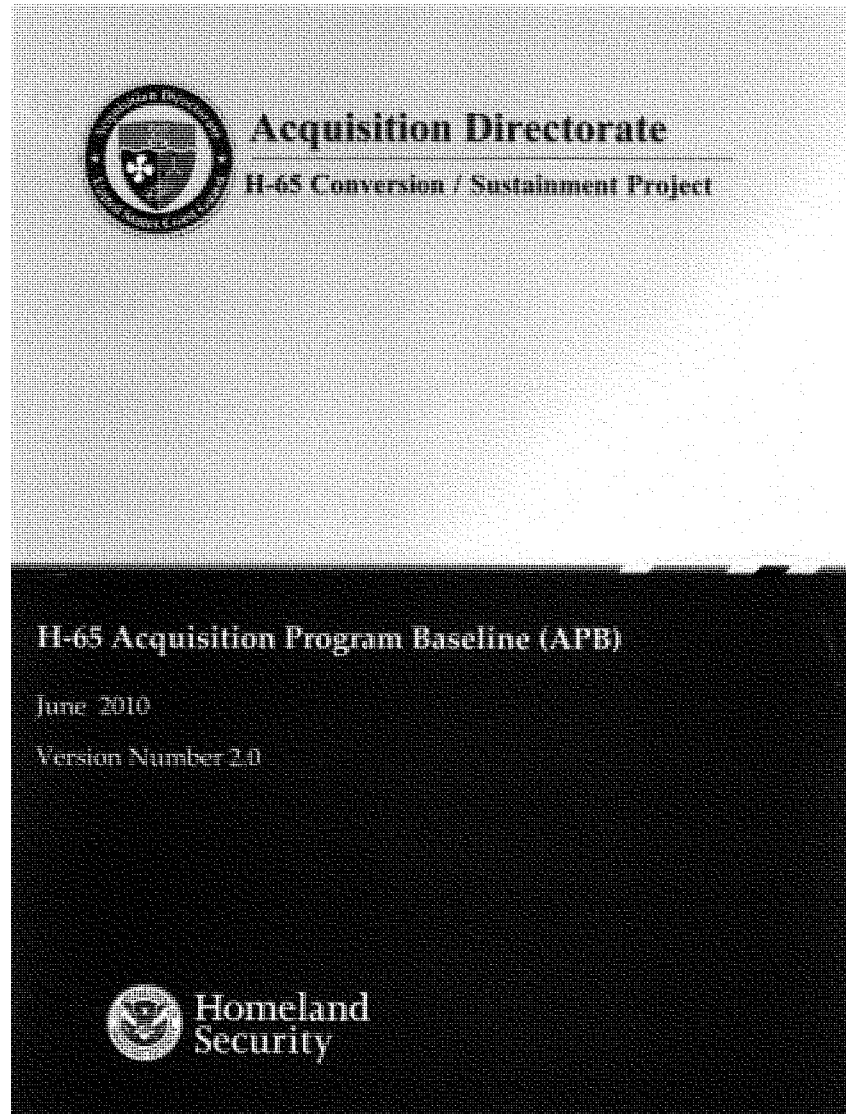
cc:

Under Secretary for Policy
 General Counsel
 Chief Procurement Officer
 Chief Information Officer
 Chief Administrative Officer
 Chief Human Capital Officer
 Chief Security Officer
 Deputy Chief Financial Officer
 Deputy Assistant Secretary for Policy
 Acting Executive Director, Acquisition Program Management/Cost Analysis Division
 Director, Cost Analysis Division
 Director, Contract Operating Division, OCPO
 Director, Operational Test and Evaluation, S&T
 Chief of Staff, USCG
 Assistant Commandant for Acquisition, USCG
 Head of Contracting Activity, USCG
 Program Executive Officer, USCG
 Program Manager, H-65, USCG



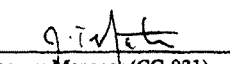
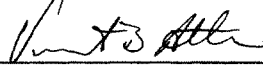
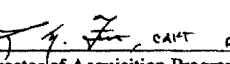

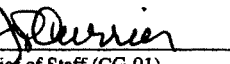
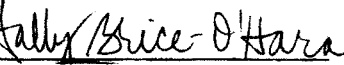
ACQUISITION PROGRAM BASELINE
For
H-65 CONVERSION/SUSTAINMENT PROJECT

Submitted by:	<u>[Signature]</u> H-65 Project Manager (CG-9315)	<u>30 Jun 10</u> Date
Validated by:	<u>[Signature]</u> Chief, Acquisition Support Office (CG-924)	<u>30 Jun 10</u> Date
Endorsed by:	<u>[Signature]</u> Program Manager (CG-931)	<u>1 Jul 10</u> Date
Endorsed by:	<u>[Signature]</u> Sponsor (CG-7)	<u>30 Jun 10</u> Date
Endorsed by:	<u>[Signature]</u> CAPE CGR Director of Acquisition Programs (CG-93)	<u>13 Jul 10</u> Date
Endorsed by:	<u>[Signature]</u> EAPM Chief Acquisition Officer (CG-9)	<u>20 Aug 2010</u> Date
Endorsed by:	<u>[Signature]</u> Chief of Staff (CG-01)	<u>23 Aug 10</u> Date
CG approval by:	<u>[Signature]</u> Component Acquisition Executive (VCC)	<u>4 Nov 2010</u> Date
DHS approval by ADM	<u>[Signature]</u>	<u>2/22/11</u> Date





ACQUISITION PROGRAM BASELINE
For
H-65 CONVERSION/SUSTAINMENT PROJECT

Submitted by:	<u></u>	<u>30 JUN 10</u>
	H-65 Project Manager (CG-9315)	Date
Validated by:	<u></u>	<u>30 JUN 10</u>
	Chief, Acquisition Support Office (CG-924)	Date
Endorsed by:	<u></u>	<u>1 JUL 10</u>
	Program Manager (CG-931)	Date
Endorsed by:	<u></u>	<u>30 JUL 10</u>
	Sponsor (CG-7)	Date
Endorsed by:	<u></u> CAIT COR	<u>13 AUG 10</u>
	Director of Acquisition Programs (CG-93)	Date
Endorsed by:	<u></u> RAPM	<u>20 Aug 2010</u>
	Chief Acquisition Officer (CG-9)	Date
Endorsed by:	<u></u>	<u>23 AUG 10</u>
	Chief of Staff (CG-01)	Date
CG approval by:	<u></u>	<u>4 Nov 2010</u>
	Component Acquisition Executive (VCG)	Date
DHS approval by ADM:	DHS USM Endorsement Attached	<u>22 Feb 11</u>
		Date



Version Summary:

Version	Description	Effective Date
Baseline	Integrated Deepwater System (IDS) Acquisition Program Baseline (APB) Version 1.1 approved by the CG Agency Acquisition Executive 07 November 2006 and Approved by Department of Homeland Security (DHS) Acquisition Review Board (ARB) on 15 May 2007. This APB considers the date approved by the CG's Acquisition Executive as the baseline date.	07 Nov 2006
Version 1.0	Department guidance directed preparation of discrete segment (DS) APBs for each IDS major acquisition project. This APB documents the stand alone H-65 Conversion/Sustainment program baseline as extracted from the IDS APB Version 1.1 and the National Capital Region Air Defense (NCRAD) APB Version 1.0	22 May 2009
Version 2.0	This revision updates Key Schedule Milestones; two-DS4, four-DS5 and twelve-DS6. Updates Key Cost Performance Parameters for DS3 - DS6 to align with the April 2010 Life-cycle Cost Estimate. This APB is primarily submitted to reflect schedule changes resultant from the FY11-15 Capital Investment Plan (CIP). Administrative changes are incorporated for each DS as required including: updating schedule milestones completion dates; replacing "Multi-Mission Cutter Helicopter (MCH)" with "Short Range Recovery Helicopter (SRR)" to standardize terminology with other CG documentation; replace term "ASIST" Ship Helicopter Secure and Traverse System (SHSTS) when <i>NOT</i> referring to ASIST OEM specific system; clarifying top level KPPs (airspeed and availability) for consistency with the approved H-65 ORD; removed Increment 2, DS1 (NCRAD and AUF Conversion) segment funded by and incorporated into Increment 1, DS2 (NCRAD); removing Increment 2, DS2 (Fleet-wide install of SHSTS aircraft 11-102). Increment 2, DS1 has been re-named Increment 2, DS 7.	



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ACQUISITION PROGRAM BASELINE
For the
H-65 Conversion/Sustainment Project

A: H-65 CONVERSION/SUSTAINMENT PROJECT OVERVIEW

A1: STRATEGIC GOALS

H-65 Conversion Sustainment Project – the ✓ shows specific alignments of the delivered acquisition as an operational asset supports the USCG Missions-Programs and DHS Missions-Goals.

USCG Mission-Programs – per HSA (Homeland Security Act of 2002), §888

✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Search & Rescue	Marine Safety	Aids to Navigation	Ice Operations	Marine Environmental Protection	Living Marine Resources	Illegal Drug Interdiction	Undocumented Migrant Interdiction	Other Law Enforcement (Protect EEZ)	Ports, Waterways, and Coastal Security	Defense Readiness	

DHS Mission-Goals – per QHSR (Quadrennial Homeland Security Review of 2010)

Mission	Goal	
1 Preventing Terrorism & Enhancing Security	1.1 Prevent Terrorist Attacks	✓
	1.2 Prevent Unauthorized Acquisition/Use of CBRN Materials/Capabilities	
	1.3 Manage Risks to Critical Infrastructure, Key Leadership/Events	✓
2 Securing & Managing Our Borders	2.1 Effectively Control U.S. Air, Land, and Sea Borders	✓
	2.2 Safeguard Lawful Trade and Travel	✓
	2.3 Disrupt and Dismantle Transnational Criminal Organizations	✓
3 Enforcing & Administering Our Immigration Laws	3.1 Strengthen and Effectively Administer the Immigration System	
	3.2 Prevent Unlawful Immigration	✓
4 Safeguarding & Securing Cyberspace	4.1 Create a Safe, Secure, Resilient Cyber Environment	
	4.2 Promote Cyber security Knowledge and Innovation	
5 Ensuring Resilience to Disasters	5.1 Mitigate Hazards	
	5.2 Enhance Preparedness	
	5.3 Ensure Effective Emergency Response	✓
	5.4 Rapidly Recover	✓
6 Complementary Departmental Responsibilities & Hybrid Capabilities	A TBD	
	B TBD	
	C TBD	
	D TBD	
DHS Maturing & Strengthening the Homeland Security Enterprise	A Enhance Shared Awareness of Risks and Threats	
	B Build Capable Communities	
	C Foster Unity of Effort	
	D Foster Innovative Approaches and Solutions through Leading Edge S&T	



A2: MISSION NEED

Since the CG assumed the role of Lead Systems Integrator (LSI), it became apparent that the Integrated Coast Guard System's (ICGS) proposed modernization plan did not accurately reflect the upgrades currently required to modernize the H-65 and convert it into a sustainable Short Range Recovery (SRR) helicopter to meet CG requirements as defined by the Deepwater Mission Need Statement (MNS). Therefore, the H-65 Conversion/Sustainment Project's program baseline was reprioritized to address the current and significant sustainment requirements, align capability requirements with those prioritized by the project sponsor and maximize the total life-cycle cost effectiveness of the modernization program. The revised plan was developed in cooperation with the project sponsor (CG-7), the CG's Technical Authority (CG-4), and the Acquisition Program Directorate (CG-9). A comprehensive Operational Requirements Document (ORD) defining the revised requirements for the H-65 Conversion/Sustainment Project was approved 09 April 2009. A revised and comprehensive H-65 Conversion/Sustainment Acquisition Plan was also approved 14 August 2009.

A3: PROJECT DESCRIPTION

The H-65 Conversion/Sustainment Project (H-65 Project) is divided into two increments. The first increment is fully funded within the CG Capital Investment Plan (CIP) and is sub-divided into 6 Discrete Segments (DS), each with its own performance, schedule and cost baselines. The second increment contains one DS. The feasibility of Increment 2, DS1 will be determined at a later date based on budget and schedule support constraints. The performance, schedule and cost parameters for Increment 2, DS1 are described in this APB to document the need and provide a source of information in support of future budget allocation(s). However, once the operational requirements for this DS have been more developed and refined this DS will be updated.

Conversion work for each DS is completed during the aircraft's Programmed Depot Maintenance (PDM) cycle at the CG's Aviation Logistics Center (ALC) in Elizabeth City, NC. The ALC will act as the LSI with technical assistance, as required, from aircraft and equipment Original Equipment Manufacturers (OEM), Naval Air Systems Command (NAVAIR), the U.S. Army Research Laboratory, and other Department of Defense (DoD) and commercial engineering organizations. Each of the DSs build upon each other to: increase the total fleet size from 95 aircraft to 102* aircraft; improve reliability and supportability; and to enhance the capabilities of the fleet of H-65 helicopters. The combined project will yield a fleet of 102* H-65 aircraft modernized to meet the top level performance, schedule and cost parameters as outlined within this document. This APB addresses the requirement of the CG to recapitalize and modernize its aging fleet of H-65 aircraft while resolving imminent system obsolescence.

NOTE (*) 102 aircraft is the original inventory prior to the loss of CG-6505 due to flight mishap in September 2008.

A4: REFERENCES

The Integrated Deepwater System (IDS) APB v1.1 was written to encompass the entire IDS program as planned when ICGS was the LSI; surface, air and C4ISR projects. Although conversion of the H-65 helicopter into a MCH helicopter is part of the IDS, other associated H-65 conversion projects were not incorporated into the IDS APBv1.1. These included the Airborne Use of Force (AUF) and the National Capital Region Air Defense (NCRAD) projects.



This H-65 Project's APB combines all acquisition projects associated with the H-65 helicopter into one comprehensive APB and supersedes the Multi-Cutter Helicopter (MCH) portion of the IDS APB v1.1 as well as the previously submitted NCRAD APB. The term MCH is replaced with Short Ranger Recovery (SRR) Helicopter to provide consistency with other CG Documents and enhance clarity with other directorates.

Requirement Parameters	Cost Parameters	Schedule Parameters
IDS MNS Org. 29 Aug 1996	IDS Acquisition Plan, 25 May 2005	IDS APB, V 1.1, 07 Nov 2006
IDS MNS, Rev 1, MEMO 20 Apr 2005	H-65 Conversion/Sustainment Acquisition Plan, 14 Aug 2009	NCRAD APB, 16 May 2007
H-65 Conversion/Sustainment Operational Requirements Document 09 Apr 2009	Program Office Life Cycle Cost Estimate (POE) Oct 2008	H-65 Conversion/Sustainment Project APB v1.0, 22 May 2009
	Program Office Life Cycle Cost Estimate (POE) 30 Apr 2010	Project Management Plan, V1.0, 16 Feb 2010
	CG Independent Cost Estimate (ICE) Jun 2010	H-65 Conversion/Sustainment Project Integrated Master Schedule, 05 May 10



B. H-65 PROJECT TOP LEVEL PROJECT BASELINE**B.1: TOP LEVEL INVESTMENT PERFORMANCE**

H-65 helicopter will be more reliable, have reduced total ownership costs, have increased power and maneuverability, have improved communications and interoperability, have an enhanced Command and Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) suite including an integrated cockpit and sensors group that enhance surveillance, detection classification, identification and prosecution. The aircraft will operate worldwide from land bases and from flight deck equipped CG and U.S. Navy (USN) ships within the range of its performance parameters in civilian and military airspace in support of congressionally-mandated missions. The following table provides revised baseline Key Performance Parameters (KPP) for the H-65 Project aligned with the post 9/11 Deepwater MNS and are defined within the *H-65 Conversion/Sustainment ORD* approved on 09 April 2009.

Top Level Key Performance Parameters

Performance	Baseline		Version 1.0	Version 2.0
Phase: OBTAIN/VARIOUS	7 November 2006		22 May 2009	No Changes
Key Parameter	Threshold	Objective	Threshold	Objective
High Altitude Patrol Speed (Knots)	130		Deleted ⁽¹⁾	
Low Altitude Patrol Speed (Knots)	120		Deleted ⁽¹⁾	
Maximum Airspeed (Vne) ⁽²⁾ Knots Indicated Air Speed (KIAS)	NOT SPECIFIED		at least 175 KIAS	at least 180 KIAS
Detection Range (NM)	7.7		Deleted ⁽¹⁾	
Minimum Radius of Action ⁽³⁾	The aircraft shall be capable of traveling 125nm, hoisting a person (20 minutes) and returning to the original launch site with a 20 minute fuel reserve.	The aircraft shall be capable of traveling 150nm, hoisting a person (30 minutes) and returning to the original launch site with a 20 minute fuel reserve.	125 nm	150 nm
Minimum Endurance ⁽³⁾	Accomplish the SAR mission without refueling. Have on-scene endurance of 20 minutes.	Accomplish the SAR mission without refueling. Have on-scene endurance of 30 minutes.	3 hrs 00 min ^(1,3)	4 hrs 00 min ^(1,3)
Minimum Range ⁽³⁾	310nm		300 nm	350 nm
Availability Index (A _i)	71%	85%		



Performance	Baseline		Version 1.0	Version 2.0
Phase: OBTAIN/VARIOUS	7 November 2006		22 May 2009	No Changes
Key Parameter	Threshold	Objective	Threshold	Objective
Minimum Useable Payload (Fuel, Aircrew/Pax, SAR/LE/AUF Equip) ^(2,4)	NOT SPECIFIED		2750 lbs	2950 lbs
Shipboard Compatibility ⁽²⁾	NOT SPECIFIED		up to 8900 lbs	up to Maximum Gross Weight (MGW)

1. Change made to clarify requirements as defined in current requirements documents or remaining KPPs cover performance parameters more effectively.
2. KPP added to capture critical capability requirements
3. Standard Day Conditions (15°C, 29.92, zero wind, sea level); maximum fuel load; 20 min reserve
4. AUF Equipment includes EOIR Turret & Display, weapons, ammo, gun-mount, HUD Displays, armor
(Example: 1800 lbs fuel, 800 lbs aircrew, 150 lbs SAR equipment)

Top Level Technical Performance Measurement

Design reviews and program management reviews are being used to monitor technical performance and are reported in accordance with DHS periodic reporting requirements.

B.2: TOP LEVEL INVESTMENT SCHEDULE

Table 1 reflects the Key Schedule Parameters defined by the CG's IDS APB v1.1 approved by the DHS ARB on 15 May 2007. Due to the significant changes to the H-65's project plan and the addition of the previously not reported DSs (AUF and NCRAD); the previously submitted Top Level Investment Schedule had to be re-baselined when merged into this comprehensive H-65 Project APB. The H-65 Project APB v1.0 extracted the H-65 Conversion/Sustainment baseline from the IDS APB, refreshed the program schedule, and incorporated sponsor-driven KPPs that accurately reflected then-current program timelines and objectives.

Table 2 reflects the version 1.0/2.0 Key (Top-level) Schedule Parameters. Key (Lower-level) events for each DS of the H-65 Project are defined within the appropriate DS Section throughout this APB.



Top Level Key Schedule Parameters (Table 1, IDS APB v1.1)

Schedule		Baseline	Version 1.0	Version 2.0
Phase: VARIOUS		7 November 2006	22 May 2009	
PHASE I	RE-ENGINEING			SEE REVISED TOP LEVEL SCHEDULE PARAMETER TABLE 2
	Project Start	FY04		
	84 Operational Aircraft Re-Engined	3QFY07		
	95 Aircraft Completed	1QFY08		
PHASE II	RADAR			
	Design Start	2QFY07		
	Design End	3QFY07		
	First Article	1QFY08		
	OT&E Start	3QFY08		
	OT&E End/IOC	4QFY08		
	Last Article/FOC	FY12		
	TAIL ROTOR/LDG GEAR			
	First Article	3QFY07		
	IOC	3QFY08		
	Last Article/FOC	FY12		
	SLIDING DOOR			
	Design Start	3QFY08		
	Design End	4QFY08		
	First Article	4QFY08		
	IOC	4QFY08		
	Last Article/FOC	FY12		
	FLIGHT DECK EMBEDDED RECOVERY AND TRAVERSING SYSTEM			
	Design Start	1QFY08		
	Design End	3QFY08		
	First Article	4QFY08		
	OT&E Start	1QFY09		
	OT&E End/IOC	2QFY09		
	Last Article/FOC	FY13		
PHASE III	MNS COCKPIT UPGRADE			
	Design Start	2QFY08		
	Design End	4QFY08		
	First Article	1QFY09		
	OT Start	1QFY09		
	OT End/IOC	2QFY09		
	Last Article/FOC	FY13		



Top Level Key Schedule Parameters (Table 2, Revised Table)

Major Program Event Phase: OBTAIN/ VARIOUS	Revised Baseline 7 November 2006		Version 1.0 22 May 2009		Version 2.0	
	Threshold	Objective	Threshold	Objective	Threshold	Objective
H-65 Project Start	NOT SPECIFIED	09/04	COMPLETE (09/04)			
DS1 (H-65 Phase I) Start	NOT SPECIFIED	09/04	COMPLETE (09/04)			
DS1 (H-65 Phase I) Last Article/FOC	NOT SPECIFIED	10/07	COMPLETE (10/07)			
DS2 (NCRAD) Start	NOT SPECIFIED	NOT SPECIFIED	COMPLETE (10/06)			
DS2 (NCRAD) Last Article/FOC	NOT SPECIFIED	NOT SPECIFIED	1QFY10	3QFY09	COMPLETE (06/09)	
DS3 (AUF) Start	NOT SPECIFIED	NOT SPECIFIED	COMPLETE (08/06)			
DS3 (AUF) Last Article/FOC	NOT SPECIFIED	NOT SPECIFIED	FY13	FY12		
DS4 (OCM) Start	NOT SPECIFIED	NOT SPECIFIED	COMPLETE (05/07)			
DS4 (OCM) Last Article/FOC	NOT SPECIFIED	NOT SPECIFIED	FY16	FY15		
DS5 (SHSTS) Start	NOT SPECIFIED	NOT SPECIFIED	COMPLETE (07/07)			
DS5 (SHSTS) Last Article/FOC	NOT SPECIFIED	NOT SPECIFIED	FY13	FY12	FY15	FY14
DS6 (AFCS / AVIONICS) Start	NOT SPECIFIED	NOT SPECIFIED	1QFY10	3QFY09	COMPLETE (05/09)	
DS6 (AFCS / AVIONICS) Last Article/FOC	NOT SPECIFIED	NOT SPECIFIED	FY18	FY17	FY20	FY19
H-65 Project FOC	NOT SPECIFIED	NOT SPECIFIED	FY18	FY17	FY20	FY19

The Project Integrated Master Schedule (IMS) is being used to monitor schedule performance and is reported in accordance with CG and DHS periodic reporting requirements.



B.3: TOP LEVEL INVESTMENT COST

The H-65 Conversion/Sustainment APB top level cost parameters reflect current objective cost projections for all DSs of the H-65 Project. The Version 1.0 revision to the 07 November 2006 baseline combined the original \$741M IDS baseline with the AUF and NCRAD projects that were previously not reported or included in the IDS Program, but did not increase the IDS baseline of \$741M. The Version 2.0 revision updates the costs for all DSs as a result of an updated program LCCE completed in April 2010.

Top Level Key Cost Performance Parameters

Cost (Then Year \$)	Baseline	Version 1 Increment 1 DS 1-6	Version 1 Increment 2 DS 1-2	Version 2 Increment 1 DS 1-6	Version 2 Increment 2 DS 1
Current Phase: (OBTAIN/VARIOUS)	07 Nov 2006	22 May 2009	22 May 2009		
Total Acquisition Cost	\$741M	\$901.2M ⁽¹⁾	\$232.4M	\$929.4M ⁽⁵⁾	\$221.0M
O&M Cost ⁽²⁾	\$52,692M	\$5,073.8M ⁽³⁾	\$90.6M	\$7033.2M ⁽⁵⁾⁽⁶⁾	N/A ^(2,5)
Life-Cycle Cost Estimate	\$53,433M	\$5,975M ⁽³⁾	\$323M	\$7962.6M ⁽⁵⁾⁽⁶⁾	N/A ^(2,5)
Quantities	102	102	102	102	102
Useful Life	40YRS	23YRS ⁽⁴⁾		23YRS ⁽⁴⁾	

1. Baseline IDS APB amount of \$741M remains unchanged for DSs 1, 4, 5 & 6. Increase to baseline amount of \$741M is due to incorporation of DS2 amount of \$78.9M and DS3 amount of \$81.3M not previously part of the Baseline IDS APB.
2. O&M Cost data was developed for the overall asset and incorporates the entire H-65 asset O&M cost from the start of the H-65 Project (September 2004) through the anticipated end of the asset's life cycle (2027). O&M Cost data was not developed for each DS as each DS is an upgrade to the overall legacy system.
3. O&M/LCCE data was revised and significantly reduced from the original IDS APB O&M/LCCE as a result of defining the costs associated with the remaining useful life of the asset (2004 – 2027) of 23 years vice 40 years. It also is based upon actual historical O&M cost data for the H-65 vice the use of parametric modeling making the estimate more accurate.
4. Useful life for this revision is defined as remaining useful life of the entire H-65 asset from the start of the H-65 (2004) until the anticipated end of its useful life in at least 2027. The original 40 year useful life included the entire asset life cycle since the asset came into service for the CG (1984), and was not intended to indicate 40 years of useful life remaining.
5. H-65 Project LCCE was updated in April 2010 and was used as the basis for updating the costs associated with Version 2.0 of this APB.
6. This number is a total of the H-65 LCCE v2.0 (risk adjusted cost) with the exception of DS4 acquisition cost. This number does include the original DS4 APB v1.0 acquisition cost estimate which more accurately reflects the sunk cost and realized costs as production begins (Jun 2010).

Top Level Technical Performance Measurement

All H-65 Project DS upgrades are executed during the normal PDM cycle at the ALC as Non-Contract Government Incurred (NCGI) projects. Currently, the ALC does not have an Earned Value Management System (EVMS) incorporated into their business and accounting systems as they are neither funded nor staffed to implement such a complex management system for depot level aircraft maintenance and repair. However, the ALC's accounting systems do provide the ability to closely monitor alternative measurements of technical performance (i.e., accomplishment of planned work), schedule performance (i.e., behind/ahead of schedule), and cost performance (i.e., under/over budget). These alternative performance measurements will be reported in accordance with CG and DHS periodic reporting requirements for the overall H-65 Project.



C: INCREMENT 1 DESCRIPTION

Increment 1 is sub-divided into 6 DSs and defines the current H-65 Project. These 6 DSs are further defined in the following section C paragraphs.

C.1: DS1 (RE-ENGINEING) CAPABILITY BASELINE

DS1 (RE-ENGINEING) replaced the LTS-101 engines with Fully Automatic Digital Engine Control (FADEC) equipped Turbomecca Arriel 2C2CG engines and associated dynamic components. All aircraft have been re-designated from the HH-65B to the HH-65C as a result of this engine upgrade. The engine replacement was driven and accelerated by safety of flight concerns related to the LTS-101 engine control system. Production began in FY04 and completed the original fleet of 95 HH-65B aircraft in early FY08.

C.1.1: DS1 (RE-ENGINEING) PERFORMANCE

The CG has completed RE-ENGINEING of the H-65 having replaced the Honeywell LTS 101 gas turbine engines with newer, more powerful Turbomecca 2C2CG gas-turbine engines. The Turbomecca engines provide just about 40% more power, increase aircrew safety dramatically and are much more reliable increasing aircraft operational availability. In addition, the increase in engine power provides opportunity for growth in aircraft capabilities including new missions such as: AUF, PWCS, and Air Intercept (AI). The increase in power has also permitted an increase in the maximum gross weight from 9200lbs to 9480lbs. Additionally, the new engines are controlled by a modernized FADEC system that provides much quicker, more effective engine response with reduced maintenance requirements. The following KPPs apply to DS1 (RE-ENGINEING):

DS1 (RE-ENGINEING) Key Performance Parameters

Key Performance Parameter (KPP)	Revised Baseline 07 November 2006	Version 1.0 22 May 2009		Version 2.0 No Change	
	Threshold/Objective	Threshold	Objective	Threshold	Objective
Single engine power increase from HH-65B ⁽¹⁾	NOT SPECIFIED	35%	50%		

1. Top Level KPPs covered by Top Level H-65 Conversion/Sustainment KPP

DS1 (RE-ENGINEING) Technical Performance Measurement

DS1 achieved planned performance, schedule and performance parameters.

C.1.2: DS1 (RE-ENGINEING) SCHEDULE

DS1 (RE-ENGINEING) Key Schedule Parameters

Major Project Event	Schedule Baseline 07 November 2006		Version 1.0 22 May 2009		Version 2.0 No Change	
	Threshold	Objective	Threshold	Objective	Threshold	Objective
95 Aircraft Completed	3QFY08	1QFY08	COMPLETE (10/07)			

The H-65/SRR RE-ENGINEING DS achieved planned performance, schedule and cost parameters. Actual date 95th aircraft delivered October 2007.



C.1.3: DS1 (RE-ENGINEING) COST**DS1 (RE-ENGINEING) Key Cost Performance Parameters**Program Cost Estimate in *Then Year* Dollars (Millions)

Current Phase: O&S

Cost Categories	Baseline	Version 1.0		Version 2.0	
	07 November 2006	22 May 2009		No Change	
	Threshold/Objective	Threshold	Objective	Threshold	Objective
Acquisition	NOT SPECIFIED	\$383.8M ^(1,3)	\$355.4M ^(1,3)		
Quantities	NOT SPECIFIED	95 ⁽²⁾	95 ⁽²⁾		

1. Portion of baseline IDS APB \$741M applicable to DS1

2. DS1 was completed prior to increasing fleet size to 102 aircraft

3. O&M Cost data is incorporated into the Top Level Asset O&M and LCCE. O&M data was not developed for each DS as they are merely upgrades to the overall legacy asset. O&M costs are not tracked or used for any purpose at the DS sub-system upgrade level within this APB.

DS1 achieved planned performance, schedule and cost parameters.

C.2: DS2 NATIONAL CAPITAL REGION AIR DEFENSE (NCRAD) CAPABILITY BASELINE

This phase of modernization provides a NCRAD mission capability mandated by the DHS on 03 November 2005. The CG assumed the NCRAD mission utilizing HH-65C aircraft in the inventory. However, in order to absorb the new mission and continue to provide support for legacy CG missions the NCRAD mission required a fleet growth of 7 HH-65C aircraft. Until the 7 aircraft were added to the H-65 fleet, the CG managed the gap in operational aircraft to support traditional missions. This DS involved the procurement, assembly, and fielding of 7 additional HH-65C aircraft to cover the operational gap created to fill the new mission's requirement. This included the purchase of 5 green Dauphin-variant fuselages and the conversion of 2 existing HH-65B aircraft that were located at the ALC. The green airframes and associated Aircraft Assembly Kits (AAK) were procured from the aircraft OEM and assembled by the ALC workforce. The backfill aircraft do not add any new capability to the HH-65C, but increase the fleet size by 7 aircraft to a total fleet size of 102 aircraft. The H-65 Project Office CG-9315 managed the NCRAD project within the H-65 Conversion/Sustainment project.

C.2.1: DS2 (NCRAD) PERFORMANCE

The NCRAD project did not add any new capability to the HH-65C aircraft created during DS1 (RE-ENGINEING). Therefore, the NCRAD's performance parameters are derived from the KPPs applicable to the current HH-65C configuration defined by DS1 (RE-ENGINEING). The KPPs initially documented within the baseline NCRAD APB have been removed as they are previously addressed in the Top Level KPPs. The following KPPs apply directly to DS2 (NCRAD):



DS2 (NCRAD) Key Performance Parameters

Key Performance Parameter (KPP)	Baseline 07 November 2006 Threshold/Objective	Version 1.0 22 May 2009 Threshold/ Objective	Version 2.0 No Change Threshold/ Objective	
Maximum Airspeed	175 KIAS	Defined in Top Level KPPs ⁽¹⁾		
Maximum Airspeed (Cruise)	140 KIAS	Deleted ⁽²⁾		
Maximum Range	310nm	Defined in Top Level KPPs ⁽¹⁾		
Radius	120NM, Fully equipped with 4 aircrew, arrive on scene, perform 20 minute HOGE power mission	Defined in Top Level KPPs ⁽¹⁾		
Endurance	Crew of 4, 3hours 15 minutes	Defined in Top Level KPPs ⁽¹⁾		
Max Gross Weight	9480 lbs.	Deleted ⁽²⁾		

1. Since this DS adds no new capability, only additional aircraft, Top Level KPPs addressed in section B.1. address the performance requirements for the aircraft.
2. KPP removed from this revision as it is not defined as a KPP in the H-65 Conversion/Sustainment Project Operational Requirements Documents (ORD).

DS2 (NCRAD) Technical Performance Measurement

The NCRAD project did not add any capability to the aircraft as it simply increased the total fleet size from 95 to 102 aircraft to backfill the aircraft performing the NCRAD mission. The HH-65C is currently fully operational in the fleet and the aircraft performance is already established. The design was already established and verified, therefore no additional test and evaluation or design reviews were required. The NCRAD supportability requirements are the same for all the HH-65C aircraft currently in service.

C.2.2: DS2 (NCRAD) SCHEDULE

The NCRAD project commenced with initial funding in early FY07. The contract to procure the green fuselages was awarded in January 2007 to the OEM, American Eurocopter. The AAK contract, also through the OEM, was not negotiated until 4QFY07. The original APB was drafted with the assumption that the fuselages and AAKs would be delivered by 3QFY07 with one year build up time. The final fuselage was not delivered until November 07, the final AAK was not delivered until February 2008, and both arrived missing many key parts and components delaying the aircraft build-up estimates. Therefore, the original scheduled FOC was extended until 3QFY09 due to late delivery of the assembly kits and the associated missing parts and components.

DS2 (NCRAD) Key Schedule Parameters

Major Project Event	Baseline 07 November 2006		Version 1.0 22 May 2009		Version 2.0 No Change	
	Threshold	Objective	Threshold	Objective	Threshold	Objective
First ACFT acceptance testing date	NOT SPECIFIED	NOT SPECIFIED	COMPLETE (09/07)			
Initial Operational Capability (IOC)	NOT SPECIFIED	1QFY08 ^(1,2)	COMPLETE (09/07) ⁽³⁾			
Full Operational Capability (FOC)	NOT SPECIFIED	3QFY08 ^(1,2)	1QFY10	3QFY09 ⁽³⁾	COMPLETE (06/09)	

1. NCRAD APB dated 16 May 2007

2. IOC and FOC were delayed due to late delivery of Aircraft Fuselages and associated Aircraft Assembly Kits (AAKs) from OEM.

3. IOC for DS2 defined as first 2 of 7 aircraft delivered.

DS2 (NCRAD) Schedule Performance Measurement

The Project IMS is being used to monitor schedule performance and is reported in accordance with CG and DHS periodic reporting requirements.

C.2.3: DS2 (NCRAD) COST

The funding for the DS2 (NCRAD) was provided in FY07 and FY08 funds and includes \$6.4M for NCRAD facilities. The facility portion of the DS is managed from the CG's Office of Civil Engineering (CG-43) and is not incorporated into the schedule or technical parameters within this APB.

DS2 (NCRAD) Key Cost Performance Parameters

Program Cost Estimate in *Then Year* Dollars (Millions)

Current Phase: P&D

Cost Categories	Baseline 07 November 2006		Version 1.0 22 May 2009		Version 2.0	
	Threshold	Objective	Threshold	Objective	Threshold	Objective
Acquisition	\$78M	NOT SPECIFIED	\$85.2M ⁽⁵⁾	\$78.9M ^(1,2,3,5)		
Quantities	7 ⁽⁴⁾	NOT SPECIFIED	7 ⁽⁴⁾	7 ⁽⁴⁾		

1. Includes \$890K funded in FY06.

2. Includes \$11.0M in facilities being managed by CG-43

3. Not a portion of the baseline IDS APB \$741M

4. NCRAD APB dated 16 May 2007

5. O&M Cost data is incorporated into the Top Level Asset O&M and LCCE. O&M data was not developed for each DS as they are merely upgrades to the overall legacy asset. O&M costs are not tracked or used for any purpose at the DS sub-system upgrade level within this APB.

DS2 (NCRAD) Cost Performance Measurements

The Project Manager (PM) maintains control for project resource management including budget forecasts, spend plans, planned schedule or procurements, project financial documents, and personnel requirements. The PM maintains the financial plan, spend plan, planned schedule of procurements, obligations plan and project budget documentation, and holds routine reviews with the ALC project staff to review and update cost performance data. The ALC accounting systems do not provide EVMS data, but do provide the ability to closely monitor alternate



measurements of technical performance (i.e., accomplishment of planned work), schedule performance (i.e., behind/ahead of schedule), and cost performance (i.e., under/over budget). These alternate performance measurements were reported in accordance with DHS periodic reporting requirements for DS2 (NCRAD).

C.3. DS3 AIRBORNE USE OF FORCE (AUF) CAPABILITY BASELINE

DS3 (AUF) upgrades the communications sub-systems to provide interoperability with other Homeland Security Agencies and local response agencies. Additionally, the aircraft is configured and pre-wired to allow for the installation and removal of special AUF mission equipment (weapons, armor, Electro Optical/Infrared (EO/IR) Heads-Up Display (HUD)). The AUF modified aircraft are re-designated from HH-65C to MH-65C. Primarily, this upgrade consists of enhanced communication capabilities, the addition of an EO/IR sensor capability, the addition of a weapons mount for a door mounted machine gun, law enforcement lighting, a cockpit heads up display capability, and enhanced data and voice recording and storage capabilities. Although all aircraft will be outfitted and pre-wired to receive all of the upgrades, the actual AUF equipment, such as EO/IR, weapons mounts and heads up displays will only be provided to designated operational AUF air stations. All aircraft will receive the complete communications upgrades.

C.3.1: DS3 (AUF) PERFORMANCE

DS3 upgrades provide a host of capabilities that are required by the rotary wing AUF mission. The requirements for this mission were initially documented within the Aviation Special Mission (ASM) ORD and have been further refined for the H-65 Project within the MH-65C AUF Performance Specification as promulgated by the project sponsor (CG Office of Aviation Forces, (CG-7)). The AUF project was not included within the IDS APB v1.1 and there is no prior approved AUF APB. Therefore, AUF is being incorporated as DS3 into this inclusive H-65 Project APB.

DS3 Key Performance Parameters (AUF)

Key Performance Parameter (KPP)	Baseline 07 November 2006 Threshold/Objective	Version 1.0 22 May 2009		Version 2.0 No Change	
		Threshold	Objective	Threshold	Objective
Aircraft sideward airspeed	NOT SPECIFIED	AT LEAST 35 KIAS	AT LEAST 55 KIAS		
Communications Interoperability with DoD, Federal State, Local Transmit and receive voice communications on secure and non-secure frequencies.	NOT SPECIFIED	VHF-AM, VHF-FM, UHF, HF, MILSATCOM ⁽²⁾			
AUF, delivering warning shots, precision disabling fire, and suppression fire (ASM TTP). ⁽¹⁾	NOT SPECIFIED	From right side of aircraft	From both sides of aircraft		

1. Current weapon systems include M-240 machine gun, M-14 precision weapon and .50 Cal precision weapon.
2. Appendix A of the H-65 Conversion/Sustainment ORD clarifies specific communication requirements.



DS3 (AUF) Technical Performance Measurement

The AUF upgrades are in production as of January 2008 with each H-65 aircraft receiving the upgrades as they proceed through their scheduled PDM overhaul period at the ALC. Quality Control performance testing is completed on each aircraft at the completion of the PDM process before it is delivered to an operational unit. Additionally, the sponsor (CG-7) partnered with Naval Operational Test and Evaluation Forces (OPTEVFOR) to conduct an Observation of Operational Capability (OOC) during the first operational deployments of the MH-65C. In addition, design reviews and program management reviews were used to monitor the segments technical performance which is reported in accordance with DHS periodic reporting requirements.

C.3.2: DS3 (AUF) SCHEDULE

The following chart provides the key schedule milestones for the MH-65C AUF upgrades.

DS3 (AUF) Key Schedule Parameters					
Major Project Event	Schedule Baseline 07 November 2006	Version 1.0 22 May 2009		Version 2.0 No Change	
	Threshold/Objective	Threshold	Objective	Threshold	Objective
Initial Operational Test & Evaluation (IOT&E)	NOT SPECIFIED	COMPLETE (08/08) ⁽¹⁾			
First ACFT acceptance testing date	NOT SPECIFIED	COMPLETE (10/07)			
First 6 MH-65C ACFT delivered to HITRON Jacksonville to replace MH-68A ACFT	NOT SPECIFIED	COMPLETE (01/08)			
Initial Operational Capability (IOC) ⁽¹⁾	NOT SPECIFIED	COMPLETE (01/08)			
ACFT 7-10 delivered to HITRON Jacksonville	NOT SPECIFIED	COMPLETE (08/08)			
FOC 95 aircraft converted with AUF A-kits	NOT SPECIFIED	FY13	FY12		

1. IOC defined DS3 as first 6 aircraft delivered

DS3 (AUF) Schedule Performance Measurement

The Project IMS is being used to monitor schedule performance and is reported in accordance with CG and DHS periodic reporting requirements.

C.3.3: DS3 (AUF) COST

The AUF project was funded to provide upgrades to both the H-60 aircraft and H-65 aircraft, as well as to provide weapons, armories and aircrew protective equipment. This APB documents only the H-65 AUF aircraft modifications and H-65 AUF Unit equipment.



DS3 (AUF) Key Cost Performance Parameters Program Cost Estimate in <i>Then Year</i> Dollars (Millions) Current Phase: P&D					
Cost Categories	Baseline	Version 1.0		Version 2.0	
	07 November 2006	22 May 2009			
	Threshold/Objective	Threshold	Objective	Threshold	Objective
Acquisition	NOT SPECIFIED	\$87.8M	\$81.3M ^(1,2,4)	\$96.4M	\$89.3M ⁽⁵⁾
Quantities	NOT SPECIFIED	95	95 ⁽³⁾	95	95 ⁽³⁾

1. Not a portion of the baseline IDS APB \$741M
2. AUF project does not have baseline APB
3. Original effort was funded for 95 aircraft and did not include 7 additional aircraft procured under DS2 (NCRAD).
4. O&M Cost data is incorporated into the Top Level Asset O&M and LCCE. O&M data was not developed for each DS as they are merely upgrades to the overall legacy asset. O&M costs are not tracked or used for any purpose at the DS sub-system upgrade level within this APB.
5. Updated cost estimate from April 2010 LCCE

DS3 (AUF) Cost Performance Measurements

The PM maintains control of project resource management including budget forecasts; spend plans, planned schedule or procurements, project financial documents, and personnel requirements. The PM maintains the financial plan, spend plan, planned schedule of procurements, obligations plan and project budget documentation. Furthermore, the PM holds routine reviews with the ALC project staff to review and update cost performance data. The ALC accounting systems do not provide EVMS data, but do provide the ability to closely monitor alternate measurements of technical performance (i.e., accomplishment of planned work), schedule performance (i.e., behind/ahead of schedule), and cost performance (i.e., under/over budget). These alternate performance measurements are reported in accordance with DHS periodic reporting requirements for the AUF segment of the project.

C.4: DS4 OBSOLETE COMPONENT MODERNIZATION (OCM) CAPABILITY BASELINE

DS4 of the H-65 Project builds upon the MH-65C configuration and addresses an immediate need; selective replacement of obsolete components. This Obsolete Component Modernization (OCM) DS includes the removal of the unsupportable legacy Omni-Directional Air Data System (OADS), the Tactical Air Navigation (TACAN) System, the Radar Altimeter (RADALT), the Transponder, aircraft gyros, and the emergency locator transmitter (ELT). DS4 upgrades consist of the installation of an Embedded GPS/Inertial Navigation System (EGI), Control Display Unit (CDU) 7000D, and state of the market TACAN, RADALT, ELT and Identification Friend or Foe (IFF) transponders. All of these systems are critical to aircraft flight performance and must be modernized in order to ensure that the aircraft maintains flight worthiness and is sustainable through at least 2027. Upon completion of DS4 (OCM) the aircraft will be re-designated the MH-65D.

C.4.1: DS4 (OCM) PERFORMANCE

DS4 OCM consists of the installation of an EGI, CDU 7000D, and replacements for the legacy TACAN, RADALT, ELT and IFF transponders. All of these systems are critical to aircraft flight



performance and safety of flight and must be modernized in order to ensure that the aircraft maintains flight worthiness and is sustainable through 2027.

DS4 (OCM) Key Performance Parameters

Key Performance parameter (KPP)	Baseline 07 November 2006	Version 1.0 22 May 2009		Version 2.0 No Change	
	Threshold/ Objective	Threshold	Objective	Threshold	Objective
Flight Management System (FMS) Navigational Accuracy	NOT SPECIFIED	Within 20-meters of actual position	Within 10-meters of actual position		
FMS Navigational System Redundancy	NOT SPECIFIED	Redundant navigation system with at least 1 internal independent system			
FMS Flight Guidance Information Redundancy	NOT SPECIFIED	Redundant pitch, roll and heading information for use in primary flight display, navigation and guidance and flight control functions			

DS4 (OCM) Technical Performance Measurement

The DS4 first article was completed at the ALC in June 2009. Design Reviews were held with the various sub-contractors during sub-system development. System level Design Reviews and Program Management reviews are being conducted to monitor technical performance and are reported in accordance with CG and DHS periodic reporting requirements. Developmental Test and Evaluation (DT&E) was conducted at the ALC with the sub-system OEMs in order to verify on-aircraft system performance.

C.4.2: DS4 (OCM) SCHEDULE

DS4 (OCM) Key Schedule Parameters

Major Project Event	Schedule Baseline 07 November 2006	Version 1.0 22 May 2009		Version 2.0	
	Threshold/ Objective	Threshold	Objective	Threshold	Objective
Preliminary Design Review (PDR)	NOT SPECIFIED	COMPLETE (09/07)			
Critical Design Review (CDR)	NOT SPECIFIED	3QFY09	1QFY10	COMPLETE (10/08)	
First Article/ Prototype Delivered	NOT SPECIFIED	1QFY10	3QFY09	COMPLETE (03/09)	
Observation of Capability	NOT SPECIFIED	2QFY10	4QFY09	COMPLETE (09/09)	
Production Readiness Review (PRR)	NOT SPECIFIED	3QFY10	1QFY10	COMPLETE (12/09)	
ADE-3 decision (Production)	NOT SPECIFIED	3QFY10	1QFY10	COMPLETE (02/10)	
First Production ACFT acceptance testing date	NOT SPECIFIED	4QFY10	2QFY10	3QFY11	1QFY11
Initial Operational Capability (IOC) ⁽¹⁾	NOT SPECIFIED	1QFY11	3QFY10	4QFY11	2QFY11
Full Operational Capability (FOC) ⁽²⁾	NOT SPECIFIED	FY16	FY15		



1. IOC defined as first CG Air Station Fully Equipped
2. FOC defined as all CG H-65 Air Station Fully Equipped

DS4 (OCM) Schedule Performance Measurement

The Project IMS is being used to monitor schedule performance and is reported in accordance with DHS periodic reporting requirements.

C.4.3: DS4 (OCM) COST

DS4 (OCM) is a sub-part of the original total \$741M, H-65 Project. Of the total amount, the below table defines the cost estimate to complete this segment of the project for the complete fleet of 102 aircraft, including the 7 additional NCRAD aircraft provided by DS2.

DS4 (OCM) Key Cost Performance Parameters					
Program Cost Estimate in Three Year Dollars (Millions)					
Current Phase: P&D					
Cost Categories	Baseline	Version 1.0		Version 2.0	
	07 November 2006	22 May 2009		No Change	
	Threshold Objective	Threshold	Objective	Threshold	Objective
Acquisition	NOT SPECIFIED	\$109.4M	\$101.3M ^{1,2}		
Quantities	NOT SPECIFIED	102	102		

1. Portion of baseline IDS APB \$741M applicable to DS4
2. O&M Cost data is incorporated into the Top Level Asset O&M and LCCE. O&M data was not developed for each DS as they are merely upgrades to the overall legacy asset. O&M costs are not tracked or used for any purpose at the DS sub-system upgrade level within this APB.

DS4 (OCM) Cost Performance Measurements

The PM maintains control for project resource management including budget forecasts, spend plans, planned schedule or procurements, project financial documents, and personnel requirements. The PM maintains the financial plan, spend plan, planned schedule of procurements, obligations plan and project budget documentation, and holds routine reviews with the ALC project staff to review and update cost performance data. The ALC accounting systems do not provide EVMS data, but do provide the ability to closely monitor alternate measurements of technical performance (i.e., accomplishment of planned work), schedule performance (behind/ahead of schedule), and cost performance (under/over budget). These alternate performance measurements are reported in accordance with DHS periodic reporting requirements for DS4 (OCM).

C.5: DS5 SHIPBOARD HANDLING, SECURING AND TRAVERSING SYSTEM (SHSTS) CAPABILITY BASELINE

The Ship Helicopter Secure and Traverse System (SHSTS) is required to provide interoperability between the H-65/SRR and the National Security Cutter (NSC) as developed under the IDS program. A May 2004 Business Case Analysis commissioned for the Component Acquisition Executive (CAE) suggested that a SHSTS would add significant safety features to shipboard helicopter operations and reduce the man-power required to manage continuous flight operations



aboard the ship, thereby reducing the ship staffing requirements and cost. The system chosen for the NSC dubbed Aircraft Ship Integrated Secure and Traverse (ASIST) provides visual landing aids to the aircraft pilots, secures the aircraft to the deck of the ship upon landing, and provides the capability to traverse the aircraft in and out of the hangar on deck. Utilizing a SHSTS leverages technology to significantly reduce crew workload, increase operational effectiveness, increase safety, and increase DoD interoperability (USN RAST (Recovery Assist Securing and Traversing) equipped helicopters are completely interoperable with SHSTS.)

C.5.1: DS5 (SHSTS) PERFORMANCE

The NSC developed within the IDS program, is being constructed with a SHSTS; (ASIST) system specifically built by Indal Technologies, Inc. The ASIST system is designed to deliver advanced aircraft handling technology in a lightweight, fully integrated 'wireless' system. Using the ASIST system, helicopter landings are made solely by the pilot, during a quiescent period in ship motion. During descent, ASIST's precision H.P.S.E. (Helicopter Position Sensing Equipment) system continuously tracks and monitors the exact position of the aircraft, relative to the designated landing area and displays it to the pilot through a series of visual landing cues. Guidance data is simultaneously relayed to a computer-controlled Rapid Securing Device (RSD), which automatically moves fore and aft along the embedded flight deck track, to maintain its position directly beneath a probe on the underside of the helicopter. Immediately upon touchdown, the aircraft mounted probe is secured by the RSD. Once the aircraft is ready to be aligned and traversed into the hangar the ASIST deck operator remotely controls the process. As of June 2010 the Indal Technologies, Inc (ASIST) SHSTS is undergoing IOT&E with the NSC Weasche to determine suitability and effectiveness.

DS5 (SHSTS) Key Performance Parameters

Key Performance parameter (KPP)	Baseline 07 November 2006	Version 1.0 22 May 2009		Version 2.0 No Change	
	Threshold/ Objective	Threshold	Objective	Threshold	Objective
Shipboard Compatibility Securing/Traversing	NOT SPECIFIED	Secure aircraft to flight deck automatically upon landing	Interface with CG cutter to enable aircraft traversing between flight deck and hangar		
Shipboard Compatibility Gross Weight Shipboard Takeoff/Landing	NOT SPECIFIED	Up to 8900 lbs	Up to Aircraft Maximum Gross Weight (MGW)		

DS5 SHSTS Technical Performance Measurement

DS5 SHSTS first article was development at the ALC with the Indal ASIST Probe and Aircraft Targeting System installation being completed during March 2010. The installation process required a high level of customization due to irregularity found on each airframe structure; no two airframes have the exact same rivet patterns. Design reviews are being held with the various sub-contractors working on the sub-system development and installation process. System level Design Reviews and Program Management reviews are also being used to monitor technical performance and are reported in accordance with DHS periodic reporting requirements.

C.5.2: DS5 (SHSTS) SCHEDULE

The following chart outlines the key schedule milestones for the development of DS5 (SHSTS) into the H-65 Project. Delays from the initial baseline IDS APB are due to a change from using the IDS integrator, ICGS, to using the ALC to develop the SHSTS integration, a delay in receiving funding until late FY07, and difficulty and delays in negotiating contracts with the aircraft and ASIST OEMs.

DS5 (SHSTS) Key Schedule Parameters

Major Project Event	Schedule Baseline 07 November 2006	Version 1.0 22 May 2009		Version 2.0	
	Threshold/Objective	Threshold	Objective	Threshold	Objective
Preliminary Design Review (PDR)	NOT SPECIFIED	4QFY09	2QFY09	COMPLETE (04/09)	
Critical Design Review (CDR)	NOT SPECIFIED	1QFY10	3QFY09	COMPLETE (08/09)	
First Article (prototype)	NOT SPECIFIED	3QFY10	1QFY10	COMPLETE (03/10)	
Initial Test & Evaluation (IT&E)	NOT SPECIFIED	1QFY11	3QFY10	COMPLETE (08/10)	
Production Readiness Review (PRR)	NOT SPECIFIED	3QFY11	1QFY11	3QFY13	1QFY13
ADE-3 decision (Production)	NOT SPECIFIED	3QFY11	1QFY11	3QFY13	1QFY13
Initial Operational Capability (IOC) ⁽¹⁾	NOT SPECIFIED	4QFY11	2QFY11	4QFY13	2QFY13
Full Operational Capability (FOC) ⁽²⁾	NOT SPECIFIED	FY13	FY12	FY15	FY14

1. IOC defined as first CG Air Station equipped to support an NSC deployment
2. FOC defined as number of operational aircraft required to support continuous NSC deployments; currently planned for 10 modified aircraft.

DS5 (SHSTS) Schedule Performance Measurement

The Project IMS is being used to monitor schedule performance and is reported in accordance with DHS periodic reporting requirements.

C.5.3: DS5 (SHSTS) COST

DS5 has been funded for the development of a prototype system to test on the H-65/SRR with the NSC. Funding has been identified within the Capital Investment Plan (CIP) to produce up to 9 additional systems under a Low Rate Initial Production (total 10, SHSTS modified H-65).



DS5 (SHSTS) Key Cost Performance ParametersProgram Cost Estimate in *Then Year* Dollars (Millions)

Current Phase: P&D

Cost Categories	Baseline	Version 1.0		Version 2.0	
	07 November 2006	22 May 2009			
	Threshold/Objective	Threshold	Objective	Threshold	Objective
Acquisition	NOT SPECIFIED	\$11.88M	\$11.0M ^(1,3)	\$11.6 ^(1,2,4)	\$10.7M ^(1,2,4)
Quantities	NOT SPECIFIED	10 ⁽²⁾	10 ⁽²⁾	10 ⁽²⁾	10 ⁽²⁾

1. Portion of baseline IDS APB \$741M applicable to DS5
2. Quantity limited to LRIP until FRP decision made and total number of systems required determined by the Sponsor (CG-7) and funding identified for more than 10 systems.
3. O&M Cost data is incorporated into the Top Level Asset O&M and LCCE. O&M data was not developed for each DS as they are merely upgrades to the overall legacy asset. O&M costs are not tracked or used for any purpose at the sub-system upgrade level.
4. Updated cost estimate from April 2010 LCCE.

DS5 (SHSTS) Cost Performance Measurements

The PM maintains control for project resource management including budget forecasts, spend plans, planned schedule or procurements, project financial documents, and personnel requirements. The PM maintains the financial plan, spend plan, planned schedule of procurements, obligations plan and project budget documentation, and holds routine reviews with the ALC project staff to review and update cost performance data. The ALC accounting systems do not provide EVMS data, but do provide the ability to closely monitor alternate measurements of technical performance (i.e., accomplishment of planned work), schedule performance (i.e., behind/ahead of schedule), and cost performance (i.e., under/over budget). These alternate performance measurements will be reported in accordance with DHS periodic reporting requirements for DS5 (SHSTS).

**C.6: DS6 AUTOMATIC FLIGHT CONTROL SYSTEM (AFCS/AVIONICS)
CAPABILITY BASELINE**

DS6 (AFCS/AVIONICS) is currently the final phase that is funded within the CG CIP. It addresses the remaining systems' obsolescence issues with the Automatic Flight Control System (AFCS) and modernizes the flight deck with a Common AVIONICS Architecture System (CAAS) that is common with the CG H-60/Medium Range Recovery (MRR) and similar DoD aircraft. This design will provide AVIONICS and sensor commonality between the CG's rotary wing aircraft and will capitalize on the existing CG and DoD logistics infrastructure. DS6 (AFCS/AVIONICS) development efforts include the integration of sensor systems to provide additional enhanced capabilities proposed by the IDS conceptual design for the H-65 helicopter. This includes the integration and testing of the rotary wing multi-sensor systems; radar and EO/IR. DS6 (AFCS/AVIONICS) will include one integrated and tested surface search radar system common with the H-60/MRR as well as a limited quantity of production purchases of the rotary wing EO/IR system for the fleet. The number of EO/IR systems may be modified based on approved funding levels and potential tradeoffs with other upgrades. The final H-65 configuration will be designated the MH-65E. The MH-65E will have a service life through 2027 at which time the asset will begin phasing out of CG operational use.



C.6.1: DS6 (AFCS/AVIONICS) PERFORMANCE

DS6 (AFCS/AVIONICS) has been prioritized to include replacement of the obsolete AFCS, installation of a modernized (glass) digital multifunctional display system with upgraded AVIONICS architecture, and installation of new sensors such as weather radar and EO/IR. The CAAS replaces legacy analog components, saves valuable weight and space within the aircraft, significantly decreases required maintenance and provides vastly improved situational awareness for aircrews. Additionally, CAAS provides an architecture that is more easily upgraded to accommodate additional aircraft systems, sensors, and capability improvements. CAAS will provide superior commonality between the H-65/SRR and H-60/MRR, reducing total life cycle costs due to optimized sparing levels, common training and documentation requirements and shared software life cycle management expenses. The existing H-65 AFCS is an aging analog system with severe supportability concerns. Upgrading this system is essential to the airworthiness of the aircraft and is absolutely critical to safe flight. The new digital AFCS provides an autopilot capability that permits CG aircrews to perform essential Search and Rescue and Law Enforcement operations at night and during in all weather conditions.

DS6 (AFCS/AVIONICS) Key Performance Parameters

Key Performance Parameter (KPP)	Revised Baseline 07 November 2006 Threshold/ Objective	Version 1.0 22 May 2009/FBD Threshold Objective		Version 2.0 No Change Threshold Objective	
Flight Management System (FMS) Required Navigational Performance (RNP)	NOT SPECIFIED	Qualified for RNP-10 through RNP-0.3 airspace with Non-Precision Approach			
FMS Automatic Approach	NOT SPECIFIED	Execute automatic approach into the wind line to a coupled hover over a preprogrammed GPS position			

DS6 (AFCS/AVIONICS) Technical Performance Measurement

DS6 (AFCS/AVIONICS) will begin first article development at ALC during 4QFY12. The ALC will be drafting the System Performance Specification to be used in the Request for Proposal for the AFCS, and will assemble a source selection team to evaluate proposals. Design Reviews will be required by all sub-contractors working on the sub-system development. System level Design Reviews and Program Management reviews are also being used to monitor technical performance and are reported in accordance with DHS periodic reporting requirements.

C.6.2: DS6 (AFCS/AVIONICS) SCHEDULE

The key schedule parameters for DS6 (AFCS/AVIONICS) are provided below. The schedule is a best estimate at this time and will be updated in future revisions to this document.



DS6 (AFCS/AVIONICS) Key Schedule Parameters

Major Project Event	Schedule Baseline 07 November 2006	Schedule Version 1.0 22 May 2009		Schedule Version 2.0	
		Threshold	Objective	Threshold	Objective
System Requirements Review (SRR)	NOT SPECIFIED	4QFY09	2QFY09	COMPLETE (05/09)	
ADE-2B decision	NOT SPECIFIED	4QFY09	2QFY09	COMPLETE (02/10)	
Preliminary Design Review (PDR)	NOT SPECIFIED	4QFY10	2QFY10	1QFY13	3QFY12
Critical Design Review (CDR)	NOT SPECIFIED	2QFY11	4QFY10	4QFY13	2QFY13
ADE-2C decision	NOT SPECIFIED	NOT SPECIFIED	NOT SPECIFIED	1QFY14	3QFY13
First Article/ Prototype Delivered	NOT SPECIFIED	1QFY12	3QFY11	2QFY14	4QFY13
Developmental Test & Evaluation Complete	NOT SPECIFIED	FY12	FY12	FY15	FY14
Operational Assessment (OA) Complete	NOT SPECIFIED	FY13	FY12	FY15	FY14
Production Readiness Review (PRR)	NOT SPECIFIED	FY13	FY12	FY15	FY14
First LRIP Production ACFT Acceptance Testing Date	NOT SPECIFIED	FY13	FY13	FY16	FY15
Initial Operational Capability (IOC) ⁽¹⁾	NOT SPECIFIED	FY13	FY13	FY16	FY15
Initial Operational Test & Evaluation (IOT&E) Complete	NOT SPECIFIED	FY13	FY12	FY16	FY15
ADE-3 Decision (Full Rate Production)	NOT SPECIFIED	FY13	FY12	FY17	FY16
Full Operational Capability (FOC) ⁽²⁾	NOT SPECIFIED	FY18	FY17	FY20	FY19

1. IOC defined as first CG Air Station Fully Equipped

2. FOC defined as all CG H-65 Air Station Fully Equipped

DS6 (AFCS/AVIONICS) Schedule Performance Measurement

The Project IMS is being used to monitor schedule performance and is reported in accordance with DHS periodic reporting requirements.

C.6.3: DS6 (AFCS/AVIONICS) COST

DS6 (AFCS/AVIONICS) cost estimates are provided in the table below.



DS6 (AFCS/AVIONICS) Key Cost Performance Parameters

Program Cost Estimate in <i>Then Year</i> Dollars (Millions)					
Current Phase: P&D					
Cost Categories	Baseline	Version 1.0		Version 2.0	
	07 November 2006	22 May 2009			
	Threshold/Objective	Threshold	Objective	Threshold	Objective
Acquisition	NOT SPECIFIED	\$295.0M ⁽¹⁾	\$273.3 ⁽¹⁾	\$317.3M ^(1,2)	\$293.8M ^(1,2)
Quantities	NOT SPECIFIED	102	102	102	102

1. Portion of baseline IDS APB \$741M applicable to DS6
2. Updated cost estimate from April 2010 LCCE.

DS6 (AFCS/AVIONICS) Cost Performance Measurements

The PM maintains control for project resource management including budget forecasts, spend plans, planned schedule or procurements, project financial documents, and personnel requirements. The PM maintains the financial plan, spend plan, planned schedule of procurements, obligations plan and project budget documentation, and holds routine reviews with the ALC project staff to review and update cost performance data. The ALC accounting systems do not provide EVMS data, but do provide the ability to closely monitor alternate measurements of technical performance (i.e., accomplishment of planned work), schedule performance (i.e., behind/ahead of schedule), and cost performance (i.e., under/over budget). These alternate performance measurements will be reported in accordance with DHS periodic reporting requirements for this DS of the H-65 project.

D. INCREMENT 2, DISCRETE SEGMENT 7 DESCRIPTION (UN-BUDGETED INCREMENT)

Increment 2 contains one DS. This DS contains the surface search radar sensor capability that meets the requirements defined by the sponsor in Section 6.1 of the H-65 Conversion/Sustainment Operational Requirements Document. The CG has an operational need for a surface search radar system for its entire rotary wing fleet of aircraft. A budget has only been identified to provide that capability to the H-60/MRR helicopters. The goal is to work with the H-60 PM to select a radar system for the H-60/MRR that could also be easily integrated into the H-65/SRR aircraft to provide the same capability across the rotary wing fleet. Once the H-60/MRR project selects, tests, and integrates the surface search radar into the MH-60T's CAAS, most of the integration efforts and software will be re-useable within the H-65/SRR. Therefore integration efforts would be minimal with primary cost for the H-65 Conversion/Sustainment coming from production material procurement.

This surface search capability is required to meet the CG's need to enhance the Maritime Domain Awareness in support of all of its maritime aviation missions. While funding has not yet been identified for the H-65 Conversion/Sustainment, the performance, schedule and cost requirements for this capability are provided in the following sections to provide the basis for future funding requests.



D.1: DS7 (SURFACE SEARCH RADAR) CAPABILITY BASELINE

DS7 provides production quantities of a common surface search radar systems. The upgrade will provide additional enhanced capabilities proposed by the IDS conceptual design for the H-65/SRR. The radar sensor systems will be common across the CG Rotary Wing aircraft fleet, including the H-65/SRR and the H-60/MRR.

D.1.1: DS7 (SURFACE SEARCH RADAR) PERFORMANCE

The Surface Search Capability upgrades will allow the H-65/SRR to expand their mission effectiveness to incorporate the entire spectrum of the SDCIP (Surveillance, Detection, Classification, Interdiction and Prosecution) process. The radar system will have been integrated into the CAAS cockpit during DS6 (AFCS/AVIONICS). Although the integration and design for the sensors will have been completed during the previous DS, DS7 provides production quantities of the sensor systems to ensure the capability is fielded to operational units. Increasing the number of aircraft with the required surface search radar systems would drastically improve the overall mission effectiveness of the H-65/SRR fleet and the CG.

DS7 (SURFACE SEARCH RADAR) Key Performance Parameters

Key Performance Parameter (KPP)	Revised Baseline 07 November 2006	Version 1.0/2.0 22 May 2009/TBD		Version 2.0 No Change	
	Threshold/ Objective	Threshold	Objective	Threshold	Objective
Detection range for a 41ft Aluminum vessel at 500' above water level (AWL)	NOT SPECIFIED	7 nm	12nm		
Detection range for a 65ft fishing vessel at 1000' AWL	NOT SPECIFIED	12nm	20nm		
Field of View	NOT SPECIFIED	120 degrees	180 degrees		

DS7 (SURFACE SEARCH RADAR) Technical Performance Measurement

DS1 adds significantly enhanced surface search (multi-mode) capability to the aircraft. Since the H-65 would be selecting the same radar that will be selected by the H-60/MRR project, all of the performance criteria for this DS can be found in the H-60/MRR project requirements documents.

D.1.2: DS7 (SURFACE SEARCH RADAR) SCHEDULE

The key schedule parameters for segment are not known at this time. They will be refined once funding has been identified and the work can be planned and scheduled. This APB will be updated to reflect the revised schedule parameters once developed.

DS7 (SURFACE SEARCH RADAR) Key Schedule Parameters

Major Project Event	Schedule Baseline 07 November 2006	Schedule Version 1.0 22 May 2009		Schedule Version 2.0 No Change	
		Threshold	Objective	Threshold	Objective
Initial Operational Capability (IOC) ⁽¹⁾	Not Specified	TBD	TBD		
Full Operational Capability (FOC) ⁽²⁾	Not Specified	TBD	TBD		

1. IOC defined as first CG Air Station Fully Equipped



2. FOC defined as all CG H-65 Air Station Fully Equipped

DS7 (SURFACE SEARCH RADAR) Schedule Performance Measurement

The Project IMS is being used to monitor schedule performance and is reported in accordance with DHS periodic reporting requirements.

D.1.3: DS7 (SURFACE SEARCH RADAR) COST

H-65/SRR Surface Search Radar cost estimates are provided in the table below.

DS7 (SURFACE SEARCH RADAR) Key Cost Performance Parameters					
Program Cost Estimate in <i>Then Year</i> Dollars (Millions)					
Current Phase: P&D					
Cost Categories	Baseline	Version 1.0		Version 2.0	
	07 November 2006	22 May 2009			
	Threshold/ Objective	Threshold	Objective	Threshold	Objective
Acquisition	NOT SPECIFIED	\$200.8M	\$185.9M	\$238.7M	\$221.0M
Quantities	NOT SPECIFIED	102	102	102	102


DS7 (SURFACE SEARCH RADAR) Cost Performance Measurements

The PM maintains control for project resource management including budget forecasts, spend plans, planned schedule or procurements, project financial documents, and personnel requirements. The PM maintains the financial plan, spend plan, planned schedule of procurements, obligations plan and project budget documentation, and holds routine reviews with the ALC project staff to review and update cost performance data. The ALC accounting systems do not provide EVMS data, but do provide the ability to closely monitor alternate measurements of technical performance (i.e., accomplishment of planned work), schedule performance (i.e., behind/ahead of schedule), and cost performance (i.e., under/over budget). These alternate performance measurements will be reported in accordance with DHS periodic reporting requirements for the H-65 Conversion/Sustainment Surface Search Radar Increment 2 DS7.



**Homeland
Security****FEB 06 2009****ACQUISITION DECISION MEMORANDUM**

MEMORANDUM FOR: Vivien S. Crea VADM, USCG
Vice Commandant USCG

FROM: Elaine C. Duke 
Under Secretary for Management

SUBJECT: HC-144A Maritime Patrol Aircraft Updated Acquisition
Program Baseline (Version 1.0)

The attached Acquisition Program Baseline (APB) (Version 1.0) for the HC-144A Maritime Patrol Aircraft (MPA) Program has been reviewed and approved. The APB serves as the documented program of record for the MPA Program, and the program is approved to execute in accordance with the cost schedule and performance baselines established in the APB.

In parallel with MPA execution, the following action is to be completed and submitted to Jim Manzo, Director, Cost Analysis Division in the Office of the Chief Procurement Officer (OCPO):

- Coordinate with the OCPO Cost Analysis Division (CAD) to update the HC-144A MPA Lifecycle Cost Estimate (LCCE) in order to ensure consistency and conformance with the requirements of the Department of Homeland Security Directive 102-01. The updated LCCE and supporting documentation should be provided to CAD for review at least 30 days before the next Acquisition Decision Event or within six months of the date of this memorandum.

If you have any questions, please contact Page Glennie at (202) 447-5492.

Attachment

cc:
Deputy Secretary
Assistant Secretary for Policy
Chief Financial Officer
Chief Procurement Officer
Chief Information Officer

U.S. Department of
Homeland Security

United States
Coast Guard




Commandant
United States Coast Guard

2100 Second Street, S.W.
Washington, DC 20583-0001
Staff Symbol: CG-924
Phone: (202) 475-3150
Fax: (202) 475-3916
Email: Peter.J.Boyd@uscg.mil

MEMORANDUM

5000
DEC 11 2008

From: 
V. S. CREA, VADM
Vice Commandant

Reply to: CG-924
Attn of: P. Boyd

To: E. C. DUKE
DHS, Under Secretary for Management

Thru: J. HIGBEE
DHS, Acquisition Program Management Division

Subj: HC-144A MARITIME PATROL AIRCRAFT (MPA) PROJECT ACQUISITION
PROGRAM BASELINE (APB) REVISION





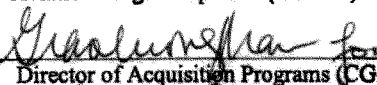


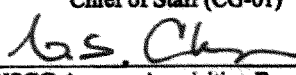
Ref: (a) DHS Acquisition Program Baseline Guidance, 31 March 2008

1. In accordance with reference (a), I am submitting the revised HC-144A MPA Project APB for your review and approval.

#

Enclosure: (1) MPA APB

**Acquisition Program Baseline (APB)
For
HC-144A MARITIME PATROL AIRCRAFT (MPA)**

Submitted by:	<u></u>	<u>7/23/2008</u>
	MPA Project Manager (CG-9312)	Date
Validated by:	<u></u>	<u>7/29/2008</u>
	Chief, Acquisition Support (CG-924)	Date
: Endorsed by:	<u></u>	<u>7/30/2008</u>
	Acquisition Program Manager Aviation (CG-931)	Date
Endorsed by:	<u></u>	<u>10/02/08</u>
	Aviation Program Sponsor (CG-711)	Date
Endorsed by:	<u></u>	<u>10/2/08</u>
	Director of Acquisition Programs (CG-93)	Date
Endorsed by:	<u></u>	<u>10/2/08</u>
	Chief Acquisition Officer (CG-9)	Date
Endorsed by:	<u></u>	<u>10/6/08</u>
	Chief of Staff (CG-01)	Date
Endorsed by:	<u></u>	<u>10 Dec 08</u>
	USCG Agency Acquisition Executive	Date

Acquisition Decision Memo Approval Received:

6 FEB 09
Date

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A) Revision Summary

Revision #	Description	Effective Date
Baseline	Integrated Deepwater System (IDS) APB Version 1.1 approved by the Coast Guard Agency Acquisition Executive 07 Nov 2006 and Approved by Department of Homeland Security (DHS) Investment Review Board (IRB) on 15 May 2007. This APB considers the date approved by the Coast Guard's Acquisition Executive as the baseline date.	07 Nov 2006
Revision 1	Department guidance for preparation of the FY10-14 Resource Allocation Plan (RAP) directed preparation of discrete Acquisition Program Baselines (APBs) for each IDS major acquisition project. This APB documents the standalone MPA program baseline	23 June 2008

B) MPA PROGRAM OVERVIEW

B.1. STRATEGIC GOALS

The acquisition will significantly enhance the Coast Guard's ability to support the strategic objectives for homeland security, derived from the National Strategy for Homeland Security. The following is a summary of the DHS strategic goals, programs and program performance goals that will be directly supported by the HC-144A MPA project:

1) **DHS Strategic Goal:** Continue to Protect our Nation from Dangerous People

- **CG Program:** Drug Interdiction
CG Program Performance Goal: Reduce the flow of illegal drugs entering the U.S. via non-commercial maritime shipping sources.
- **CG Program:** Migrant Interdiction
CG Program Performance Goal: Eliminate the flow of undocumented migrants via maritime routes to the U.S.
- **CG Program:** Other Law Enforcement
CG Program Performance Goal: Reduce the number of illegal vessel incursions into the U.S. Exclusive Economic Zone.

2) DHS Strategic Goal: Protect Critical Infrastructure

- **CG Program: Marine Environmental Protection**
CG Program Performance Goal: Eliminate oil spills and chemical discharge incidents.
- **CG Program: Living Marine Resources**
CG Program Performance Goal: Achieve sustained fisheries regulation compliance on our Nation's Oceans.
- **CG Program: Ports Waterways and Coastal Security (PWCS)**
CG Program Performance Goal: Reduce homeland security risk in the maritime domain.
- **CG Program: Marine Safety**
CG Program Performance Goal: Eliminate maritime fatalities and injuries on our Nation's oceans and waterways.

3) DHS Strategic Goal: Build a Nimble, Effective Emergency Response System and Culture of Preparedness

- **CG Program: Defense Readiness**
CG Program Performance Goal: Support our national security and military strategies by ensuring assets are at the high level of readiness required by the combatant commander.
- **CG Program: Search and Rescue**
CG Program Performance Goal: Save mariners in imminent danger on our Nation's oceans and waterways.

B.2. MISSION NEED

In 1996, the Coast Guard conducted an analysis on the current and projected capabilities required of its surface and aviation assets to perform all the statutorily mandated missions. The result of this analysis was documented in the IDS Mission Analysis Report. The report noted a distinct trend of decreasing capabilities with its legacy surface and aviation assets. This capability gap was present before the events of 9/11. With the transition of the Coast Guard to DHS, the roles and missions in support of maritime homeland security have added additional tasking to the resource-thin Coast Guard. The Coast Guard has selected a commercial off-the-shelf military transport airframe to meet its Medium Range Surveillance (MRS) MPA mission requirements. In compliance with the Buy American Act, the European Aeronautic Defence and Space Company (EADS) Construcciones Aeronauticas Sociedad Aónima (CASA) CN235-300M was selected as the MPA and viewed as the perfect complement for the Coast Guard fleet of long-range, heavy-lift HC-130 aircraft. Subsequently designated the HC-144A, the aircraft's sensors, interoperable communications, data processing, range and endurance give it the ability to collect intelligence, detect, locate and identify targets, and support information dissemination by sourcing data for Maritime Domain Awareness (MDA). This aircraft, with its Mission Support Pallet (MSP), will be integral in executing the Coast Guard's three roles of Maritime Safety, Security, and Stewardship.

B.3. PROGRAM DESCRIPTION

The HC-144A is a state-of-the-art twin engine turboprop airplane with a cockpit designed for superior situational awareness, reducing workload and increasing safety allowing the aircrew to better concentrate on mission requirements. Human factors engineering is also evident in the design and operational ability of the MSP, which controls the tactical workstation. The MSP is a suite of electronic equipment that enables the HC-144A aircrew to compile data from the aircraft's multiple and integrated sensors and transmit information to surface vessels, other aircraft and shore facilities. Satellite radios provide clear and uninterrupted voice and data exchange. Advanced electronic support measures can automatically detect friendly/unknown vessels and vessel 'fingerprints', further enhancing maritime domain awareness. The HC-144A has a high-efficiency turbo prop design which allows for persistent surveillance and quick response speeds in the role of a maritime patrol aircraft. The HC-144A also provides great mission flexibility. The hydraulically-operated rear ramp allows for easy roll-on and roll-off provisions. This quick-change feature allows ground crews to re-configure the aircraft from maritime patrol, to medical evacuation, to passenger or freight transport. Its medium-size and high-lift wing design allow take-off and landing on short, unpaved landing areas, further enabling the Coast Guard's ability to aid first responders in all types of national, state and local emergencies.

The previous Coast Guard IDS APB was approved by the DHS IRB on 15 May 2007. However, the Decision Memorandum required the Coast Guard to provide an updated APB that:

- a. Aligns with the post-9/11 Deepwater Mission Needs Statement (MNS) (and its supporting performance gap analysis) and latest update to the Deepwater Implementation plan; and
- b. Reflects revised cost and schedule projections for MPA, including: MSP certification, Operational Test and Evaluation (OT&E), a simulator for training, facilities upgrades, and revised pricing for the aircraft, mission systems pallet and spare parts.

The purpose of this MPA APB is to update the baseline information from the prior IDS APB and provide a standalone APB documenting the program baseline for the MPA program. The following program changes are incorporated into this APB submission:

- a. Due to funding considerations, the overall MPA program baseline encompasses two increments.
 - Increment 1 provides for twenty-eight aircraft and MSPs, spare parts for both aircraft and MSPs, a full motion aircraft flight simulator and building, and a hangar facility at Aviation Training Center (ATC) Mobile, AL.
 - Increment 2 completes the acquisition by providing an additional eight aircraft and MSPs, spare parts for both aircraft and MSPs, and facilities upgrades at Astoria, Cape Cod and Naval Base Ventura County.
- b. Performance Parameters: MPA performance has been updated to more fully define the overall capabilities of the aircraft and MSP in quantifiable, measurable parameters.
- c. Schedule Performance Parameters: Design delays resulting from requirements for the MSP to be certifiable in accordance with the Defense Information Assurance Certification and Accreditation Program (DIACAP) for the Secure Internet Protocol Router Network

(SIPRNET) and Sensitive But Unclassified (SBU) Local Area Network (LAN) has resulted in an OT&E and Initial Operating Capability schedule breach of one year.

- d. Cost Performance Parameters: Cost Performance Parameters have been updated to reflect changes in the aircraft and MSP cost, the inclusion of a flight simulator for training, and spare parts requirements which have resulted in a decrease in fielded assets and hangar facilities. Although not included within the current Coast Guard budget submissions, funding for the MPA simulator and hangar facility upgrades are included within this APB. The Life Cycle Cost Estimate (LCCE) has been updated to reflect the results of an independent analysis of the Operation and Sustainment (O&S) costs for the HC-144A.

B.4. REFERENCES

This section identifies the relevant source documents used to establish the project baseline in the APB.

IDS Mission Need Statement, 29 Aug 1996	Life Cycle Cost Estimate, 17 Jan 2007	IDS APB, Ver 1.1, 15 May 2007
IDS Mission Need Statement, Rev 1, MEMO, 20 Apr 2005	IDS Alternatives Analysis, Feb 2008	HC-144A Acquisition Plan, 18 Apr 2008
MRS MPA Operational Requirements Document (ORD) (Draft), 1 Dec 2007	Alternatives Analysis MEMO, 3 Mar 2008	HC-144A IMS, 30 June 2008

C) OVERALL MPA PROGRAM BASELINE

The HC-144A is equipped with communications, navigation and surveillance systems that will allow the Coast Guard to operate worldwide in both civil and military airspace. The search radar can detect targets of interest up to 100 nautical miles away. Once the aircraft is closer to the target, the Electro-Optical / Infra-Red sensor (EO / IR) can classify and identify targets in all weather conditions. The state-of-the-art cockpit design provides pilots with situational awareness, reducing workload and increasing safety. MSP operators can collect, compile, and transfer information in near real time to commanders on ship or on shore. Satellite radios provide clear, over the horizon, uninterrupted voice and data exchange. Advanced electronic support measures can detect vessels and signatures, adding another layer of defense to the Homeland Security mission.

The overall MPA program baseline consists of the combined performance, schedule and cost parameters described in Increments 1 and 2.

SECTION C.1: MPA PERFORMANCE

The revised MPA APB investment performance parameters align with the post-9/11 Deepwater MNS and are the same as the Key Performance Parameters (KPPs) listed in the Draft HC-144A ORD. The revised KPPs are more descriptive of the performance required and will be measured during the MPA Operational Assessment (OA).

Key Performance Parameters

PERFORMANCE PHASE: CD&D KEY PARAMETER	BASELINE 07 Nov 2006		REVISION 1 23 JUN 2008	
	THRESHOLD	OBJECTIVE	THRESHOLD	OBJECTIVE
HIGH ALTITUDE PATROL SPEED ⁽¹⁾ (KNOTS)	184		180 KTAS OR GREATER WHEN AT OR ABOVE 5,000 FT MSL	
LOW ALTITUDE PATROL SPEED ⁽¹⁾ (KNOTS)	180		≤ 180 KIAS AT 1,000 FT MSL	
DETECTION RANGE ^(1,2) (NM)	50.0			
RADIUS	ARRIVE ON-SCENE TO SUPPORT SAR MISSIONS ⁽⁴⁾ AT A RANGE OF 300NM WITHIN 90 MINUTES.			

PERFORMANCE PHASE: CD&D		BASELINE 07 Nov 2006		REVISION 1 23 JUNE 2008	
KEY PARAMETER	THRESHOLD	OBJECTIVE	THRESHOLD	OBJECTIVE	
ENDURANCE	ARRIVE ON-STATION CONFIGURED TO SUPPORT SURVEILLANCE ⁽⁵⁾ MISSIONS WITHOUT REFUELING. HAVE AN ON-STATION ENDURANCE OF 4.7 HRS.	ARRIVE ON-STATION CONFIGURED TO SUPPORT SURVEILLANCE ⁽⁵⁾ MISSIONS WITHOUT REFUELING. HAVE AN ON-STATION ENDURANCE OF 5.5 HRS.			
OPERATIONAL AVAILABILITY (A₀) ⁽⁶⁾	0.80	0.90	0.71	0.80	
TIME TO LAUNCH FOLLOWING NOTIFICATION	≤30 MINUTES				

1. Based on CIAAT Baseline Asset Characteristics used to develop System Task Sequence (SDCIP) KPPs.
2. In Medium Sea State
3. Based on a specific Height of Eye, a medium size target, clear weather, and 90% Probability of Detection.
4. Search And Rescue (SAR) Mission Configuration includes the MSP, standard SAR equipments and a crew of six.
5. Surveillance Mission Configuration includes the MSP and a crew of five.
6. Reflects revised figures in the Draft HC-144A ORD.

TECHNICAL PERFORMANCE MEASUREMENT

Completion of the system DIACAP requirements and progress of the platform Operational Assessment are being used to monitor technical performance, and are reported in accordance with DHS periodic reporting requirements.

SECTION C.2: INVESTMENT SCHEDULE

The MPA APB key schedule parameters reflect revised schedule projections for the project, including a one-year delay in OT&E and a projected one-half year delay in delivery of the lead asset resulting from MSP Certification and Accreditation delays for SIPRNET and SBU LAN; and a four-year delay in delivery of the final asset / FOC resulting from aircraft and MSP cost increases and limitations of individual fiscal year CIP funding.

Key Schedule Parameters

SCHEDULE	BASELINE 07 Nov 2006	REVISION 1 23 JUNE 2008	
PHASE: CD&D		THRESHOLD	OBJECTIVE
PDR	12/04		
CDR	06/05		
PRODUCTION READINESS REVIEW (PRR)	02/06		
TEST READINESS REVIEW (TRR)	02/06		
OPERATIONAL ASSESSMENT START	3QFY07	1QFY09 ⁽¹⁾	3QFY08 ⁽¹⁾
OPERATIONAL ASSESSMENT COMPLETION/IOC	1QFY08	4QFY09 ⁽²⁾	2QFY09 ⁽²⁾
MILESTONE 3/PROJECT DECISION	NOT SPECIFIED	4QFY09 ⁽²⁾	2QFY09 ⁽²⁾
LEAD ASSET DELIVERY	4QFY08	4QFY09 ⁽³⁾	2QFY09 ⁽³⁾
FINAL INCREMENT 1 ASSET DELIVERY	4QFY16	4QFY18	2QFY18
INITIAL INCREMENT 2 ASSET DELIVERY	NOT SPECIFIED	4QFY18	2QFY18
FINAL INCREMENT 2 ASSET DELIVERY / FOC	NOT SPECIFIED	4QFY20 ⁽⁴⁾	2QFY20 ⁽⁴⁾

⁽¹⁾ Impacts of MSP design delays and completion of DT&E due to requirements for DIACAP have induced approximately a one year delay in start of Operational Assessment.

⁽²⁾ Impacts of MSP design delays and completion of DT&E due to requirements for DIACAP have induced approximately a one year delay in completion of Operational Assessment / IOC.

⁽³⁾ Impacts of MSP design delays and completion of DT&E due to requirements for DIACAP have induced approximately a one-half year delay in lead asset delivery.

⁽⁴⁾ Aircraft and MSP cost increases, limitations of individual fiscal year CIP funding and MSP delays have induced approximately a four year delay in Final Asset delivery / FOC.

Schedule Performance Measurement

The Integrated Master Schedule (IMS) associated with the MPA Delivery Task Order (DTO) awarded to the contractor and the program office IMS are being used to monitor schedule performance and are in accordance with DHS periodic reporting requirements.

SECTION C.3: INVESTMENT COST

The MPA APB cost parameters are based upon the assumption of procuring aircraft and MSP's directly commencing in FY09. The MPA Life Cycle Cost Estimate (LCCE) that was updated to reflect an independent analysis completed in January, 2007. This LCCE is based upon a 40-year aircraft useful service life and accounts for the known aircraft cost increases as well as the additional cost for the MPA training simulator, hangar facility upgrades and the full provision of logistics.

Key Cost Performance Parameters

COST (THEN YEARS)	BASELINE	REVISION 1 INCREMENT 1	REVISION 1 INCREMENT 2
CURRENT PHASE: CD&D	15 MAY 2007	23 JUNE 2008	23 JUNE 2008
TOTAL ACQUISITION COST⁽²⁾	\$1,706M	\$1,706M	\$516.6M
O&S COST⁽³⁾	NOT SPECIFIED	\$7,826M⁽⁴⁾	\$2,236M⁽⁵⁾
LIFE-CYCLE COST ESTIMATE	\$22,773M⁽¹⁾	\$9,532M	\$2,752.6M
QUANTITIES	36	28	8
USEFUL LIFE	40 YEARS		

⁽¹⁾ The \$22,773M reflects the original LCCE from the original IDS APB. It is unknown how this cost was derived.

⁽²⁾ The total acquisition cost, that is the sum of Increment 1 and 2, is \$2,222.6M. This reflects the program office estimate for the project procurement including logistics and facilities, and is based upon actual costs to date (including sunk cost) with an inflation factor applied for future procurements. This estimate also is based on the assumption that the acquisition strategy for FY09 and follow procurements will be direct to the individual equipment OEM's.

⁽³⁾ The total O&S Cost, that is the sum of Increment 1 and 2, is \$10,062M O&S. This cost is based upon parametric cost data derived from the 17 Jan 2007 LCCE.

⁽⁴⁾⁽⁵⁾ For simplicity, the O&S costs for Increment 1 and 2 were derived by dividing the total O&S cost by 36 (a per aircraft estimate) and multiplying by 28 for Increment 1 and 8 for Increment 2.

D) MPA INCREMENT 1

MPA Increment 1 consists of the acquisition of the first 28 aircraft and MSPs, the MPA simulator and initial outfit of MPA spare parts that will be purchased with the currently approved level of funding. Any additional funding beyond current budget plans will be devoted to the procurement of additional aircraft and capabilities described in MPA Increment 2 (Section E).

SECTION D.1: INCREMENT 1 MPA PERFORMANCE

The performance parameters for MPA Increment 1 are identical the Key Performance Parameters cited for the overall MPA program in section C.1.

SECTION D.2: MPA INCREMENT 1 SCHEDULE

The MPA APB key schedule parameters reflect revised schedule projections for the project, including a one-year delay in OT&E and a projected one-half year delay in delivery of the lead asset resulting from MSP Certification and Accreditation delays for SIPRNET and SBU LAN; and a four year delay in delivery of the final asset / FOC resulting from aircraft and MSP cost increases and limitations of individual fiscal year CIP funding.

Key Schedule Parameters

SCHEDULE	BASELINE 07 Nov 2006	REVISION 1 INCREMENT 1 23 JUNE 2008	
PHASE: CD&D	THRESHOLD	THRESHOLD	OBJECTIVE
PDR	12/04		
CDR	06/05		
PRODUCTION READINESS REVIEW (PRR)	02/06		
TEST READINESS REVIEW (TRR)	02/06		
OPERATIONAL ASSESSMENT START	3QFY07	1QFY09 ⁽¹⁾	3QFY08 ⁽¹⁾
OPERATIONAL ASSESSMENT COMPLETION / IOC	1QFY08	4QFY09 ⁽²⁾	2QFY09 ⁽²⁾
MILESTONE 3/ PROJECT DECISION	NOT SPECIFIED	4QFY09 ⁽²⁾	2QFY09 ⁽²⁾
LEAD ASSET DELIVERY	4QFY08	4QFY09 ⁽³⁾	2QFY09 ⁽³⁾
FINAL ASSET DELIVERY OF INCREMENT 1		4QFY18 ⁽⁴⁾	2QFY18 ⁽⁴⁾

⁽¹⁾ Impacts of MSP design delays and completion of DT&E due to requirements for DIACAP have induced approximately a one year delay in start of Operational assessment.

⁽²⁾ Impacts of MSP design delays and completion of DT&E due to requirements for DIACAP have induced approximately a one year delay in completion of Operational Assessment / IOC.

⁽³⁾ Impacts of MSP design delays and completion of DT&E due to requirements for DIACAP have induced approximately a one-half year delay in lead asset delivery.

⁽⁴⁾ Aircraft and MSP cost increases, limitations of individual fiscal year CIP funding and MSP delays have induced approximately a four year delay in Final Asset delivery / FOC.

SECTION D.3: MPA INCREMENT 1 COST**Key Cost Performance Parameters**

COST (THEN YEAR)	BASELINE 07 Nov 2006	REVISION 1 INCREMENT 1 23 JUNE 2008	
CURRENT PHASE: CD&D	THRESHOLD	THRESHOLD	OBJECTIVE
TOTAL ACQUISITION COST	\$1,706M	\$1,842M	\$1,706M
O&S COST	NOT SPECIFIED	\$8,452M	\$7,826M ⁽¹⁾
LIFE-CYCLE COST ESTIMATE	\$22,773M	\$10,294M	\$9,532M
QUANTITIES	36	28	
USEFUL LIFE	40 YEARS		

⁽¹⁾ The \$7,826M O&S cost is based upon parametric cost data derived from the 17 Jan 2007 LCCE. For simplicity, the O&S costs for Increment 1 was derived by dividing the total O&S cost by 36 (a per aircraft estimate) and multiplying by 28 for Increment 1.

Increment 1 consists of the following:

- Adjusted Aircraft and MSP procurement to twenty eight. Among the justification is projected cost increases, estimated to be \$95.9M
- Inclusion of an Aircraft Flight Simulator, estimated at \$36.0M
- Inclusion of all initial issue spares for the Aircraft and MSPs through 2018 in the total acquisition as an AC&I funded requirement, an increase estimated at \$124.0M over the initial budget
- Inclusion of Engineering Change Orders (and retrofit) estimated at \$20M
- Flight Simulator Facility, \$6.5M
- Hangar at ATC Mobile, \$24.1M

E) MPA INCREMENT 2

MPA Increment 2 represents the unfunded portion of assets and spares of the program. Procurement of additional assets and spares will be accomplished with additional funding.

SECTION E.1: MPA INCREMENT 2 PERFORMANCE

The performance parameters for MPA Increment 2 are identical the Key Performance Parameters cited for the overall MPA program in section C.1.

SECTION E.2: MPA INCREMENT 2 SCHEDULE

The MRS APB key schedule parameters reflect revised schedule projections for the project, including a one-year delay in OT&E and a projected one-half year delay in delivery of the lead asset resulting from MSP Certification and Accreditation delays for SIPRNET and SBU LAN; and a four year delay in delivery of the final asset / Full Operational Capability resulting from aircraft and MSP cost increases and limitations of individual fiscal year CIP funding.

Key Schedule Parameters

SCHEDULE	BASELINE 07 Nov 2006	REVISION 1 INCREMENT 2 23 JUNE 2008	
PHASE: CD&D	THRESHOLD	THRESHOLD	OBJECTIVE
INCREMENT 2 LEAD ASSET DELIVERY (AIRCRAFT #29)	NOT SPECIFIED	4QFY18 ⁽¹⁾	2QFY18
INCREMENT 2 FINAL ASSET DELIVERY / FULL OPERATIONAL CAPABILITY (AIRCRAFT #36)	NOT SPECIFIED	4QFY20 ⁽²⁾	2QFY20

⁽¹⁾ Program Office projections reflect lead asset delivery of Increment 2 to be FY18.

⁽²⁾ Program Office projections reflect final asset delivery of Increment 2 to be FY20.

SECTION E.3: MPA INCREMENT 2 COST

The MPA APB cost parameters reflect current cost projections for the MPA. This is a revision to the 15 May 2007 Baseline, which did not fund the simulator, include facilities costs or adequately fund the required spare parts. Increment 2 is currently unfunded.

Key Cost Performance Parameters

COST (FIFTEEN YEARS)	BASELINE 07 Nov 2006	REVISION 1 INCREMENT 2 23 JUNE 2008	
CURRENT PHASE: CD&D	THRESHOLD	THRESHOLD	OBJECTIVE
TOTAL ACQUISITION COST	\$1,706M	\$358M	\$516.6M
O&S COST	NOT SPECIFIED	\$2,415M	\$2,236M⁽¹⁾
LIFE-CYCLE COST ESTIMATE	\$22,773M	\$2,973M	\$2,752.6M
QUANTITIES	36	8	
USEFUL LIFE	40 YEARS		

⁽¹⁾ For simplicity, the O&S costs for Increment 2 were derived by dividing the total O&S cost by 36 (a per aircraft estimate) and multiplying by 8 for Increment 2.

Increment 2 completes the MPA procurement. It includes:

- Eight aircraft and MSPs, estimated at \$352.8M
- Initial issue spares for the eight Aircraft and MSPs mentioned above, estimated to be \$73.1M
- Facilities costs:
 - Naval Base Ventura County (includes environmental assessment), \$23.0M
 - Hangar at Astoria, \$20.6M
 - Hangar at Cape Cod, estimated to be \$29.1M




Homeland Security

ACQUISITION DECISION MEMORANDUM

JUN 19 2009

MEMORANDUM FOR: Vivien S. Crea VADM
Vice Commandant USCG

FROM: Elaine C. Duke 
Under Secretary for Management

SUBJECT: HC-130H Conversion/Sustainment Acquisition
Program Baseline (Version 1.0)

REFERENCE: Department of Homeland Security Acquisition Program Baseline
Guidance

The attached Acquisition Program Baseline (APB) (Version 1.0) for the HC-130H Conversion/Sustainment Program has been reviewed and approved. The APB serves as the documented program of record for the HC-130H Conversion/Sustainment, and the program is approved to execute in accordance with the cost schedule and performance baselines established in the APB.

In parallel with HC-130H Conversion/Sustainment execution, the following actions are to be completed:

- Submit an updated Life Cycle Cost Estimate (LCCE) and supporting documentation to James Manzo, Director, Cost Analysis Division (CAD) of the Office of the Chief Procurement Officer (OCPO) for review within six months of the date of this memorandum. Coordinate with the OCPO CAD to update the HC-130H LCCE in order to ensure consistency and conformance with the requirements of Department of Homeland Security (DHS) Directive 102-01.
- Submit a Test and Evaluation Master Plan (TEMP) to George Ryan, Director Operational Test and Evaluation (DOT&E) for approval within six months of the date of this memorandum. Coordinate with DHS DOT&E to update the HC-130H in order to ensure consistency and conformance with requirements of DHS Directive 102-01.
- Submit an Integrated Logistic Support Plan (ILSP) for review to John Higbee, Director, Acquisition Program Management Division (APMD) within six months of the date of this memorandum. Coordinate with OCPO APMD to update the HC-130H ILSP in order to ensure consistency and conformance with the requirements of DHS Directive 102-01.
- Coordinate with APMD to update the HC-130H APB for the Key Performance Parameters of Discrete Segment 4 (Avionics II) and Discrete Segment 5 (Missionization). The APB will be provided to APMD for approval at least 30 days before the Acquisition Decision Event 2 (ADE) of these segments.

If you have any questions, please contact Page Glennie at (202) 447-5492.

cc:

Deputy Secretary
Under Secretary, Science and Technology
Assistant Secretary for Policy
Chief Financial Officer
Chief Procurement Officer
Chief Information Officer

U.S. Department of
Homeland Security

United States
Coast Guard



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MEMORANDUM

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DEC 11 2008

From: 
V. S. CREA, VADM
Vice Commandant

Reply to: CG-924
Attn of: P. Boyd

To: E. C. DUKE
DHS, Under Secretary for Management

Thru: J. HIGBEE
DHS, Acquisition Program Management Division

Subj: HC-130H CONVERSION/ SUSTAINMENT PROJECT ACQUISITION PROGRAM
BASELINE (APB) REVISION

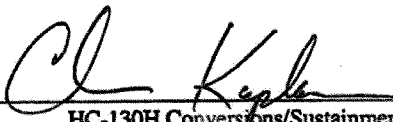




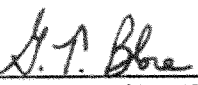


Ref: (a) DHS Acquisition Program Baseline Guidance, 31 March 2008

1. In accordance with reference (a), I am submitting the revised HC-130H Project APB for your review and approval.

#

Enclosure: (1) HC-130H APB

**Acquisition Program Baseline
For
HC-130H CONVERSIONS/SUSTAINMENT**

Submitted by:	<u></u> HC-130H Conversions/Sustainment Project Manager (CG-9311)	<u>7 Oct 08</u> Date
Endorsed by:	<u></u> Acquisition Program Manager Aviation (CG-931)	<u>7 Oct 2008</u> Date
Validated by:	<u></u> Chief, Acquisition Support (CG-924)	<u>7 Oct 2008</u> Date
Endorsed by:	<u></u> Aviation Program Sponsor (CG-7)	<u>14 Oct 2008</u> Date
Endorsed by:	<u></u> Director of Acquisition Programs (CG-93)	<u>15 Oct 08</u> Date
Endorsed by:	<u></u> Chief Acquisition Officer (CG-9)	<u>16 Oct 08</u> Date
Endorsed by:	<u></u> Chief of Staff (CG-01)	<u>17 Oct 08</u> Date
Endorsed by:	<u></u> USCG Agency Acquisition Executive	<u>12/5/08</u> Date

Acquisition Decision Memo Approval Received:

JUN 19 2009
Date

Revision Summary

Version	Description	Effective Date
Baseline	Integrated Deepwater System (IDS) APB Version 1.1 approved by the Coast Guard Agency Acquisition Executive 07 Nov 2006 and Approved by Department of Homeland Security (DHS) Investment Review Board (IRB) on 15 May 2007. This APB considers the date approved by the Coast Guard's Acquisition Executive as the baseline date.	07 Nov 2006
Revision 1	Department guidance for preparation of the FY10-14 Resource Allocation Plan (RAP) directed preparation of discrete Acquisition Program Baselines (APBs) for each IDS major acquisition project. This APB documents the standalone HC-130H Conversions/Sustainment program baseline as extracted from the Integrated Deepwater System (IDS) APB Version 1.1	03 OCT 2008

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SECTION A. REVISION SUMMARY -VERSION 1.0

The United States Coast Guard Integrated Deepwater System (IDS) Acquisition Program Baseline (APB) was approved by the DHS Investment Review Board (IRB) on 15 May 2007. Department of Homeland Security (DHS) Guidance for the FY10-14 Resource Allocation Plan (RAP) directed individual APBs for each project. This discrete HC-130H Conversions/Sustainment APB:

- a. Aligns with the post 9/11 Integrated Deepwater System Mission Need Statement (MNS) (and its supporting performance gap analysis) and updates to the Deepwater Implementation plan; and
- b. Reflects revised cost and schedule projections for HC-130H Conversions/Sustainment project.

The purpose of this HC-130H Conversions/Sustainment APB is to provide a standalone consolidated baseline for managing the entire HC-130H Conversions/Sustainment project. The following changes are incorporated into this APB submission:

- a. Sub-divides the overall project by discrete capability (Discrete Segments).
- b. Addition of Key Cost, Schedule, and Performance Parameters by Discrete Segments.
- c. Schedule Performance Parameters: Inclusion of key milestones (previously not base lined) and separation of schedule parameters by Discrete Segments.
- d. Cost Performance Parameters: Alignment of cost to reflect changes affected by inclusion of HC-130H Rewire and SLEP.

APB Version 1.0 addresses a quantity of sixteen HC-130H aircraft fleet conversions. Section B3, Project Description, references an internal cost-benefit analysis that indicates the current strategy to modernize 16 HC-130H aircraft may not be the most cost efficient way to meet mission requirements. The Coast Guard has contracted with NAVAIR to conduct an independent Business Case Analysis (BCA) to recommend the most economical fleet mix within existing APB and Capital Investment Plan (CIP) constraints. Once the BCA is completed, a new acquisition strategy may be presented along with associated changes to the current plan for a sixteen HC-130H and six HC-130J fleet mix.

SECTION B: PROJECT OVERVIEW**SECTION B1: Strategic Goals**

The acquisition will significantly enhance the Coast Guard's ability to support the strategic objectives for Homeland Security, derived from the National Strategy for Homeland Security. The following is a summary of the DHS strategic goals, programs and program performance goals that will be directly supported by the HC-130H Conversions/Sustainment project:

1) DHS Strategic Goal: Continue to Protect our Nation from Dangerous People

- **CG Program: Drug Interdiction**
CG Program Performance Goal: Reduce the flow of illegal drugs entering the U.S. via non-commercial maritime shipping sources.
- **CG Program: Migrant Interdiction**
CG Program Performance Goal: Eliminate the flow of undocumented migrants via maritime routes to the U.S.
- **CG Program: Other Law Enforcement**
CG Program Performance Goal: Reduce the number of illegal vessel incursions into the U.S. Exclusive Economic Zone.

2) DHS Strategic Goal: Protect Critical Infrastructure

- **CG Program: Marine Environmental Protection**
CG Program Performance Goal: Eliminate oil spills and chemical discharge incidents.
- **CG Program: Living Marine Resources**
CG Program Performance Goal: Achieve sustained fisheries regulation compliance on our Nation's Oceans.
- **CG Program: Ports Waterways and Coastal Security (PWCS)**
CG Program Performance Goal: Reduce homeland security risk in the maritime domain.
- **CG Program: Marine Safety**
CG Program Performance Goal: Eliminate maritime fatalities and injuries on our Nation's oceans and waterways.

3) DHS Strategic Goal: Build a Nimble, Effective Emergency Response System and Culture of Preparedness

- **CG Program: Defense Readiness**
CG Program Performance Goal: Support our national security and military strategies by ensuring assets are at the high level of readiness required by the combatant commander.
- **CG Program: Search and Rescue**
CG Program Performance Goal: Save mariners in imminent danger on our Nation's oceans and waterways.

SECTION B2: Mission Need

The Coast Guard is currently operating an aging fleet of 26 HC-130H maritime patrol aircraft, with obsolete avionics, and that lack the capability to effectively meet mandated mission requirements. Upgrading the avionics of 16 (plus 1 non-operational prototype) of these aircraft will enable the Coast Guard to address maintenance and performance requirements necessary to operate the HC-130H until 2027, to include providing improved surveillance, detection, classification, identification, and prosecution (SDCIP) capabilities. These requirements include: replacing an aging and increasingly unreliable surface search radar; addressing avionics technical obsolescence and meeting international communications navigation surveillance / air traffic management (CNS/ATM) standards; providing airframe structural improvements to address flight safety and performance envelope concerns, and incorporating mission systems that can provide full integration and real time data & information exchange with the Common Operational Picture (COP) in conjunction with the Integrated Deepwater System (IDS). Extending the HC-130H aircraft usable life, reliability, and functionality will enable the Coast Guard to successfully complete Congressionally mandated missions.

SECTION B3: Project Description

The HC-130H Conversions/Sustainment project is divided into two increments. Increment 1 is fully funded within the Coast Guard's Capital Investment Plan (CIP) and is sub-divided into five separate and distinct usable capability Discrete Segments, each with its own performance, schedule and cost baselines. Increment 2 includes one Discrete Segment, Rewire/Service Life Extension Program (SLEP) for which funding has not yet been identified in the Coast Guard's CIP.

Increment 1, Discrete Segment 1, Surface Search Radar replacement (which began in FY05) and Increment 1, Discrete Segment 2 Avionics I are both in progress. An updated analysis has been conducted to reevaluate the costs and benefits of improving the H-130H versus buying more new C-130Js and missionizing them into HC-130Js. The results of that analysis are being weighed against HC-130H status as certain radar and avionics subsystems required immediate attention to address obsolescence, mission availability, flight safety, situational awareness and mission effectiveness issues. The SELEX Seaspray 7500E search radar was selected to replace the aging and very unreliable APS-137 surface search radar. Increment 1, Discrete Segment 2, Avionics I is designed to meet identified urgent requirements for flight safety, address component obsolescence concerns, and to bring the HC-130H into compliance with international CNS/ATM mandates and standards. The following sections provide the top level overview and descriptions of the performance, schedule and cost parameters for both the five funded Discrete Segments of Increment 1 and Increment 2.

This APB addresses the requirement of the Coast Guard to recapitalize and modernize its aging fleet of HC-130H aircraft, while resolving imminent system and subsystem obsolescence.

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SECTION B4: References

This section identifies the relevant source documents used to explain/ establish the project baseline in the APB.

Requirement Parameters	Cost Parameters	Schedule Parameters
IDS Mission Need Statement, Rev 1, MEMO 20 Apr 2005	HC-130H Life Cycle Cost Estimate, IDS APB, Ver 1.1, 7 Nov 2006	C-130H Schedule Parameters, IDS APB, Ver 1.1, 7 Nov 2006
Avionics Upgrade I Operational Requirements Document (signed 05 Sep 2008)	Alternatives Analysis, Deepwater, March 1999	IDS Acquisition Plan, 25 May 2001
C-130H Key Performance Parameters, IDS APB, Ver 1.1, 7 Nov 2006		HC-130H Avionics Upgrade I Acquisition Plan, (Draft), Sept 2008

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SECTION C. TOP LEVEL PROJECT BASELINE**SECTION C.1: Top Level Project Performance**

The HC-130H Conversions/Sustainment APB top level investment performance parameters align with the post-9/11 Deepwater MNS and are the same as the key performance parameters (KPPs) listed in the Deepwater APB.

The following table provides the top level baseline KPPs for the overall HC-130H Conversions/ Sustainment project. Section D will display more refined, segment-level KPPs for those segments with discrete USCG program sponsor-generated requirements documents. Note that minimizing/preventing reduction of the existing key HC-130H aircraft flight capabilities (speed, range, etc) is an overarching requirement for all discrete segments.

Top Level Key Performance Parameters

Performance	Baseline		Revision 1	
Phase: VARIOUS	7 November 2006		03 October 2008	
Key Parameter	Threshold	Objective	Threshold	Objective
High Altitude Patrol Speed (Knots) ⁽¹⁾	237			
Low Altitude Patrol Speed (Knots) ⁽¹⁾	235			
Detection Range ^(1,2,3) (NM)	50.0			
Interoperability	Integration Of Mission System Shall Provide A User Interface In Accordance With The Common Operating Environment User Interface Specification & Shall Provide Support For Multi-Asset Unit Coordination .			
Operational Availability (A ₀)	Integration Of Mission System Will Not Degrade Existing Overall Aircraft System Availability (0.71)	0.85		

1. Based on Center for Naval Analysis Independent Deepwater Asset Assessment Tool (CIAAT) baseline Asset Characteristics used to develop system Task Sequence (SDCIP) KPPs
2. In Medium Sea State
3. Based on a specified Height of Eye, a medium size target, clear weather, and 90% Probability of Detection

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Top Level Technical Performance Measurement

Segment-level Design Reviews and Program Management reviews are being used to monitor technical performance and are reported in accordance with DHS periodic reporting requirements.

SECTION C.2: Top Level Project Schedule

Table 1 reflects the baseline Key Schedule Parameters and defines the significant top level objective schedule events (segment start and segment completion) for Increment 1 (Funded) HC-130H Conversions/Sustainment project segments. Key events (threshold and objective) for each Discrete Segment of the HC-130H Conversions/Sustainment project are defined within the appropriate Discrete Segment section throughout this APB.

Top Level Key Schedule Parameters (Table 1, Revised Table)

SCHEDULE	BASLINE	REVISION #1
PHASE: VARIOUS	7 NOVEMBER 2006	03 OCT 2008
HC-130H Conversions/Sustainment Project Start	NOT SPECIFIED	09/05
Discrete Segment 1 (Surface Search Radar) Start	Not specified	09/05
Discrete Segment 1 (Surface Search Radar) Last Article / FOC	1QFY10	1QFY10
Discrete Segment 2 (Avionics I) Start	1QFY09	3QFY09
Discrete Segment 2 (Avionics I) Last Article / FOC	FY12	2QFY13
Discrete Segment 3 (Center Wing Box) Start	Not Listed	2QFY09
Discrete Segment 3 (Center Wing Box) Last Article / FOC	Not Listed	2QFY17
Discrete Segment 4 (Avionics II) Start	Not Listed	1QFY11
Discrete Segment 4 (Avionics II) Last Article / FOC	Not Listed	4QFY17
Discrete Segment 5 (Missionization) Start	FY11	1QFY11
Discrete Segment 5 (Missionization) Last Article / FOC	FY17	4QFY17
HC-130H Conversions/Sustainment Project FOC	FY17	4QFY17

The Project Integrated Master Schedule (IMS) is being used to monitor schedule performance and is reported in accordance with DHS periodic reporting requirements

SECTION C.3: Top Level Project Cost

The HC-130H Conversions/Sustainment APB top level cost parameters reflect current cost projections for all Discrete Segments of the HC-130H Conversions/Sustainment project. Revision to the 07 November 2006 Baseline is due to the addition of the Increment 2 Rewire/SLEP. These cost estimates are consistent with the Capital Investment Plan associated with the FY08 President's Budget.

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Top Level Key Cost Performance Parameters

CURRENT YEARS	BASIS LINE	EXTENSION 1 INCREMENT 1	EXTENSION 1 INCREMENT 2
CURRENT PHASE (ACQUISITION)	07 OCT 2006	03 OCT 2008	03 OCT 2008
TOTAL ACQUISITION COST	\$610M	\$610.0M	\$690.0M ⁽¹⁾
O&S COST	\$15,972M	\$13,895.6M	\$2,076.4M
LIFE-CYCLE COST ESTIMATE	\$16,582M	\$14,505.6M	\$2,156.4M
QUANTITIES	16 ⁽²⁾	16 ⁽²⁾	16 ⁽²⁾
USEFUL LIFE	20 YEARS	20 YEARS	20 YEARS

1. Total Acquisition Costs for both Increment 1 and Increment 2 are \$690M. The increase is due to increased costs associated with the structural improvements (Increment 2, Discrete Segment 1, Rewire/Service Life Extension Program) required to help keep these aging aircraft in service for 20 years additional service life. These costs not captured in the original estimate under Increment 1.
2. Quantities shown reflect 16 aircraft that will be redeployed to the fleet for normal mission operations, after improvements are made. Costs shown also include improving an additional aircraft with Avionics I upgrades, for use as a flying test bed for future improvements, rather than as an operational asset.

Earned Value Management (EVM) will be used to monitor cost performance on future work not performed under fixed price contracts (or by government agencies) and will be reported in accordance with DHS periodic reporting requirements. The search radar contract was fixed price, therefore no EVM was used. For government agencies that do not have certified EVM systems, EVM-like work, schedule and cost data will be obtained and used to create alternate measurements that address EVM reporting parameters. These alternate performance measurements will be reported in accordance with DHS periodic reporting requirements (QPR's, MRR's, etc.).

SECTION D: INCREMENT 1 DESCRIPTION (FULLY FUNDED INCREMENT)

Increment 1 is sub-divided into five Discrete Segments and defines the current HC-130H-Conversions/Sustainment project as it is depicted within the Coast Guard's FY08 Capital Investment Plan. The five Discrete Segments are further defined in the following sections.

SECTION D.1: Increment 1, Discrete Segment 1 Capability Baseline (Surface search radar)

SELEX Seaspray 7500E Surface Search Radar (replaces APS-137) is used to detect, track, and help classify and identify vessels and other objects/personnel on the surface of water. Production (installation and integration of production-built radars into the HC-130H aircraft) began in March 2008.

Section D.1.1: Discrete Segment 1 Performance (Surface Search Radar)**Discrete Segment 1 Key Performance Parameters (Surface Search Radar)**

KEY PERFORMANCE PARAMETER (KPP)	BASELINE		REVISION #1	
	THRESHOLD	OBJECTIVE	THRESHOLD	OBJECTIVE
DETECTION RANGE (1, 2, 3, 4)	50.0 NM	50.0 NM		

1. Based on CIAAT baseline Asset Characteristics used to develop system Task Sequence (SDCIP) KPPs
2. In Medium Sea State
3. Based on a specified Height of Eye, a medium size target, clear weather, and 90% Probability of Detection
4. Directly applicable KPP from Top Level IDS KPPs

Discrete Segment 1 Technical Performance Measurement (Surface Search Radar)

During Production & Deployment, program management status meetings, production facility certification, regular on site inspections and acceptance testing are being used to verify technical performance and quality (during development, design reviews and system testing were also used). The results of these measurement methods are reported in accordance with DHS periodic reporting requirements.

Section D.1.2: Discrete Segment 1 Schedule (Surface Search Radar)**Discrete Segment 1 Key Schedule Parameters (Surface Search Radar)**

MAJOR PROJECT EVENT	BASELINE		REVISION #1	
	THRESHOLD	OBJECTIVE	THRESHOLD	OBJECTIVE
INCREMENT 1				
DISCRETE SEGMENT 1				
SURFACE SEARCH RADAR	CD&D	CD&D	Production	Production
Design Start		11/05	11/05	

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MAJOR PROJECT EVENT	BASELINE		REVISION #1	
	THRESHOLD	OBJECTIVE	THRESHOLD	OBJECTIVE
Design End		08/06	08/06	
First Article/ Prototype Delivered	3QFY07	1QFY07	02/07	
Initial Operational Test & Evaluation IOT&E Start	4QFY07	2QFY07	07/07	
IOT&E End / Initial Operational Capability (IOC)	1QFY08	3QFY07	03/08	
Production Readiness Review	Not Listed	Not Listed	03/08	
Milestone 3 Review (Production Decision)	Not Listed	Not Listed	03/08	
Full Operational Capability (FOC)	3QFY10	1QFY10	3QFY10	1QFY10

Schedule Performance Measurement

An Integrated Master Schedule (IMS) is being used to monitor schedule performance.

Section D.1.3: Discrete Segment 1 Cost (Surface Search Radar)**Discrete Segment 1 Key Cost Performance Parameters (Surface Search Radar)**

Program Cost Estimate in <i>Then Year</i> Dollars (Millions)				
Current Phase: P&D				
Cost Categories	Baseline Threshold	Baseline Objective	Revision #1 Threshold	Revision #1 Objective
ACQUISITION	NOT SPECIFIED	NOT SPECIFIED	\$53M ⁽¹⁾	\$49M ⁽¹⁾
QUANTITIES	NOT SPECIFIED	NOT SPECIFIED	16	16

1. Portion of baseline IDS APB \$610M applicable to Discrete Segment 1. All figures rounded to the nearest whole number.

Cost Performance Measurement (Surface Search Radar)

HC-130H Surface Search Radar Discrete Segment achieved planned cost parameters, primarily via use of fixed price contract.

SECTION D.2: Increment 1, Discrete Segment 2 Capability Baseline (Avionics I)

Provides updated avionics to address key obsolescence issues and enable HC-130H compliance with international requirements (effective 2009) for Communications Navigation Surveillance / Air Traffic Management (CNS/ATM).

Section D.2.1: Discrete Segment 2 Performance (Avionics I)

The following specific representative KPP applies directly to Discrete Segment 2 (Avionics I):

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Discrete Segment 2 Key Performance Parameter (Avionics I)

KEY PERFORMANCE PARAMETER (KPP)	BASELINE		REVISION #1	
	THRESHOLD	OBJECTIVE	THRESHOLD	OBJECTIVE
CNS/ATM Certification	Not Specified	Not Specified	The upgrade shall provide cockpit digital processing and displays to enable aircraft to file and fly GPS based procedures using PPS GPS from departure to Non-Precision Approach minimums.	The upgrade shall provide cockpit digital processing and displays to ensure the aircraft has appropriate functionality for access to civil airspace to include ADS-B (transmit and receive)

Additional segment-peculiar KPPs may be viewed in the Avionics Upgrade I Draft ORD (updated March 2008).

Technical Performance Measurement (Avionics I)

During upgrade Capability Development & Demonstration, design, production, and logistics reviews and analyses and developmental/operational Test & Evaluation (T&E) shall be used to monitor technical performance and quality. The results of these reviews and analyses and tests are to be reported in accordance with DHS periodic reporting requirements.

SECTION D.2.2: DISCRETE SEGMENT 2 SCHEDULE (AVIONICS I)

Original testing and production completion dates have been adjusted to reflect more refined development estimates from NAVAIR, the Systems Integrator.

Discrete Segment 2 Key Schedule Parameters (Avionics I)

MAJOR PROJECT EVENT	BASELINE		REVISION #1	
	THRESHOLD	OBJECTIVE	THRESHOLD	OBJECTIVE
INCREMENT 1				
DISCRETE SEGMENT 2				
AVIONICS I	CD&D	CD&D	CD&D	CD&D
Design Start ⁽¹⁾	3QFY09	1QFY09	3QFY09	1QFY09
Design End ⁽²⁾	1QFY10	3QFY09	1QFY10	3QFY09
First Article/ Prototype Delivered	2QFY10	4QFY09	4QFY10	2QFY10
Initial Operational Test & Evaluation (IOT&E) Start		FY10	2QFY11	4QFY10
IOT&E End		FY10	4QFY11	2QFY11
Milestone 3 Review (Production Decision)	Not Listed	Not Listed	1QFY12	3QFY11
Initial Operational Capability (IOC)		FY10	4QFY12	2QFY12
Full Operational Capability (FOC)		FY12	4QFY13	2QFY13

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1. Design Start is considered equivalent to a combined System Requirements Review / System Functional Review (SRR/SFR)
2. For purposes of this document, "Design End" is considered equivalent to a combined system Critical Design Review / First Test Article (aka Prototype) production readiness review

Schedule Performance Measurement (Avionics I)

An Integrated Master Schedule (IMS) will be used to monitor schedule performance and will be reported in accordance with DHS periodic reporting requirements.

Section D.2.3: Discrete Segment 2 Cost (Avionics I)

Discrete Segment 2 Key Cost Performance Parameters (Avionics I)				
Program Cost Estimate in Fiscal Year Dollars (Millions)				
Current Phase - C/D&D				
Cost Categories	Baseline Threshold	Baseline Objective	Revision #1 Threshold	Revision #1 Objective
ACQUISITION ⁽¹⁾	Not Listed	Not Listed	\$98M	\$91M
QUANTITIES ⁽²⁾	Not Listed	Not Listed	16	16

1. All figures rounded to the nearest whole number.

2. Quantities shown reflect 16 aircraft that will be redeployed to the fleet for normal mission operations, after improvements are made. Costs shown also include improving another aircraft with avionics phase 1 upgrades, for use as a flying test bed (prototype) for future improvements, rather than as an operational asset.

Discrete Segment 2 Cost Performance Measurements (Avionics I)

NAVAIR, the Systems Integrator for this project, does not have a certified EVM system. They will provide EVM-like performance, schedule and cost data to the USCG Project Manager which will be used to create alternate measurements that address EVM reporting parameters. These alternate performance measurements will be reported in accordance with DHS periodic reporting requirements.

SECTION D.3: Increment 1, Discrete Segment 3 Capability Baseline (Center Wing Box)

Provides for the replacement and or refurbishment of the aircraft center wing box in order to address aircraft safety concerns and continue operating the HC-130H until 2027.

Section D.3.1: Discrete Segment 3 Performance (Center Wing Box)

This Discrete Segment adds no new capability. Top Level KPPs addressed in section C.1. address the performance requirements for this discrete segment.

Technical Performance Measurement (Center Wing Box)

Once the project formally enters Capability Development & Demonstration then installation & integration design reviews and program management reviews, combined with representative ground and flight tests, will be used to monitor technical performance

and quality. The results of these measurements will be reported in accordance with DHS periodic reporting requirements.

Section D.3.2: Discrete Segment 3 Schedule (Center Wing Box)

The following chart provides the key schedule milestones for the Center Wing Box improvements:

Discrete Segment 3 Key Schedule Parameters (Center Wing Box)

MAJOR PROJECT EVENT	BASELINE		REVISION #1	
	THRESHOLD	OBJECTIVE	THRESHOLD	OBJECTIVE
CENTER WING BOX	CT&D	CT&D	CT&D	CD&D⁽⁶⁾
Design Start ⁽¹⁾	Not Listed	Not Listed	2QFY11	2QFY09
Design End ⁽²⁾	Not Listed	Not Listed	3QFY11	3QFY09
First Article/ Prototype Delivered	Not Listed	Not Listed	3QFY12	1QFY10
Initial Operational Test & Evaluation IOT&E Start	Not Listed	Not Listed	2QFY13	2QFY10
IOT&E End ⁽³⁾ / Initial Operational Capability (IOC) ⁽⁵⁾	Not Listed	Not Listed	3QFY13/ 1QFY14	2QFY10 /4QFY10
Full Operational Capability (FOC)	Not Listed	Not Listed	4QFY17	2QFY17

1. Design Start is considered equivalent to a combined System Requirements Review / System Functional Review (SRR/SFR), for this segment it refers to installation and integration design ; Milestone 2 precedes Design Start (In this effort, the same quarter).

2. For purposes of this document, "Design End" is considered equivalent to a combined system Critical Design Review / First Test Article (aka Prototype) production readiness review

3. For this effort, Milestone 3 occurs shortly after IOT&E End (in this case, same quarter)

4. Objective schedule is based upon intent to accelerate effort if feasible to more quickly address structural integrity and flight restriction issues- CWB technology maturity confirmation is in progress.

5. In this effort, IOC reflects delivery of the first production CWB improved aircraft

Discrete Segment 3 Schedule Performance Measurement (Center Wing Box)

Once the project formally enters Capability Development and Demonstration phase, an Integrated Master Schedule IMS will be created to monitor schedule performance and will be reported in accordance with DHS periodic reporting requirements.

Section D.3.3: Discrete Segment 3 Cost (Center Wing Box)**Discrete Segment 3 Key Cost Performance Parameters (Center Wing Box)**

Program Cost Estimate in <i>Then Year</i> Dollars (Millions)				
Current Phase: C&TD				
Cost Categories	Baseline Threshold	Baseline Objective	Revision #1 Threshold	Revision #1 Objective
ACQUISITION	Not Listed	Not Listed	\$190M ⁽¹⁾	\$176M ⁽¹⁾
QUANTITIES	Not Listed	Not Listed	16	16

1. Portion of baseline IDS APB \$610M applicable to Discrete Segment 3. All figures rounded to the nearest whole number

Cost Performance Measurements (Center Wing Box)

Earned Value management (EVM) will be used to monitor cost performance on future work not performed under fixed price contracts (or by government agencies) and will be reported in accordance with DHS periodic reporting requirements. For government agencies that do not have certified EVM systems, EVM-like performance, schedule and cost data will be obtained and used to create alternate measurements that address EVM reporting parameters.

SECTION D.4: Increment 1, Discrete Segment 4 Capability Baseline (Avionics II)

Completes replacement of legacy avionics to solve remaining obsolescence issues, and adds capabilities to improve situational awareness and improve cockpit displays usability.

Section D.4.1: Discrete Segment 4 Performance (Avionics II)**Discrete Segment 4 Key Performance Parameters (Avionics II)**

KEY PERFORMANCE PARAMETER (KPP)	BASELINE		REVISION #1	
	THRESHOLD	OBJECTIVE	THRESHOLD	OBJECTIVE
	NOT SPECIFIED	NOT SPECIFIED	TRD	TRD

Discrete Segment 4 Technical Performance Measurement (Avionics II)

Once the project enters Capability Development & Demonstration, then Design, Production and Logistics reviews, Program Management reviews, and developmental/operational testing will be used to monitor technical performance and quality. The results of these reviews and analyses and tests will be reported in accordance with DHS periodic reporting requirements.

Section D.4.2: Discrete Segment 4 Schedule (Avionics II)

Discrete Segment 4 Key Schedule Parameters (Avionics II)

MAJOR PROJECT EVENT	BASELINE		REVISION #1	
	THRESHOLD	OBJECTIVE	THRESHOLD	OBJECTIVE
AVIONICS II	C&TD	C&TD	C&TD	C&TD
Design Start ⁽¹⁾	Not Listed	Not Listed	3QFY11	1QFY11
Design End ⁽²⁾	Not Listed	Not Listed	2QFY12	4QFY11
First Article/ Prototype Delivered	Not Listed	Not Listed	2QFY13	4QFY12
Initial Operational Test & Evaluation IOT&E Start	Not Listed	Not Listed	4QFY13	2QFY13
IOT&E End ⁽³⁾ / Initial Operational Capability (IOC)	Not Listed	Not Listed	1QFY14 /1QFY15	3QFY13 /3QFY14
Full Operational Capability (FOC)	Not Listed	Not Listed	2QFY18	4QFY17

1. Design Start is considered equivalent to a combined System Requirements Review / System Functional Review (SRR/SFR) ; Milestone 2 precedes Design Start (in this effort, the quarter prior).
2. For purposes of this document, "Design End" is considered equivalent to a combined system Critical Design Review / First Test Article (aka Prototype) production readiness review
3. For this effort, Milestone 3 occurs shortly after IOT&E End (in this case, same quarter)

Discrete Segment 4 Schedule Performance Measurement (Avionics II)

Upon entry into Capability Development and Demonstration phase, an integrated master schedule will be created and used to monitor schedule performance and is reported in accordance with DHS periodic reporting requirements.

Section D.4.3: Discrete Segment 4 Cost (Avionics II)**Discrete Segment 4 Key Cost Performance Parameters (Avionics II)**

Program Cost Estimate in <i>Then Year</i> Dollars (Millions)				
Current Phase: C & TD				
Cost Categories	Baseline Threshold	Baseline Objective	Revision #1 Threshold	Revision #1 Objective
ACQUISITION	NOT SPECIFIED	NOT SPECIFIED	\$157M ⁽¹⁾	\$145M ⁽¹⁾
QUANTITIES	NOT SPECIFIED	NOT SPECIFIED	16	16

1. Portion of baseline IDS APB \$610M applicable to Discrete Segment 4. All figures rounded to the nearest whole number.

Cost Performance Measurements (Avionics II)

Once the segment enters Capability Development & Demonstration phase, Earned Value Management (EVM) will be used to monitor cost performance on future work not performed under fixed price contracts (or by government agencies) and will be reported in accordance with DHS periodic reporting requirements. For government agencies that do not have certified EVM systems, EVM-like performance, schedule and cost data will be obtained and used to create alternate measurements that address EVM reporting parameters.

SECTION D.5: Increment 1, Discrete Segment 5 Capability Baseline (Missionization)

Missionization will incorporate a two person mission system station on the flight deck similar in design and function to the current mission system on the HC-130J. This mission system would replace the current Navigator and Radio Operator stations.

Section D.5.1: Discrete Segment 5 Performance (Missionization)**Discrete Segment 5 Key Performance Parameters (Missionization)**

KEY PERFORMANCE PARAMETER (KPP)	BASELINE		REVISION #1	
	THRESHOLD	OBJECTIVE	THRESHOLD	OBJECTIVE
Not Listed	Not specified		TBD	

Discrete Segment 5 Technical Performance Measurement (Missionization)

Once the project enters Capability Development & Demonstration, then Design, Production and Logistics reviews, Program Management reviews, and developmental/operational testing will be used to monitor technical performance and quality. The results of these reviews and analyses and tests will be reported in accordance with DHS periodic reporting requirements.

Section D.5.2: Discrete Segment 5 Schedule (Missionization)**Discrete Segment 5 Key Schedule Parameters (Missionization)**

MAJOR PROJECT EVENT	BASELINE		REVISION #1	
	THRESHOLD	OBJECTIVE	THRESHOLD	OBJECTIVE
MISSIONIZATION	C&TD	C&TD	C&TD	C&TD
Design Start ⁽¹⁾		FY11	3QFY11	1QFY11
Design End ⁽²⁾		FY11	2QFY12	4QFY11
First Article/ Prototype Delivered		FY12	2QFY13	4QFY12
Initial Operational Test & Evaluation IOT&E Start		FY12	4QFY13	2QFY13

HC-130H Conversions/Sustainment APB v1.0

MAJOR PROJECT EVENT	BASELINE		REVISION #1	
	THRESHOLD	OBJECTIVE	THRESHOLD	OBJECTIVE
IOT&E End ⁽¹⁾ / Initial Operational Capability (IOC)		FY13	1QFY14 /1QFY15	3QFY13 /3QFY14
Full Operational Capability (FOC)		FY17	2QFY18	4QFY17

1. Design Start is considered equivalent to a combined System Requirements Review / System Functional Review (SRR/SFR) ; Milestone 2 precedes Design Start (in this effort, the quarter prior).
2. For purposes of this document, "Design End" is considered equivalent to a combined system Critical Design Review / First Test Article (aka Prototype) production readiness review
3. For this effort, Milestone 3 occurs shortly after IOT&E End (in this case, same quarter)

Discrete Segment 5 Schedule Performance Measurement (MISSIONIZATION)

Upon entry into Capability Development and Demonstration phase, an integrated master schedule will be created and used to monitor schedule performance and is reported in accordance with DHS periodic reporting requirements.

Section D.5.3: Discrete Segment 5 Cost (Missionization)**Discrete Segment 5 Key Cost Performance Parameters (Missionization)**

Program Cost Estimate in Fiscal Year Dollars (Millions)				
Current Phase: C&D				
Cost Categories	Baseline Threshold	Baseline Objective	Revision #1 Threshold	Revision #1 Objective
ACQUISITION	Not Specified	Not Specified	\$16M ⁽¹⁾	\$149M ⁽¹⁾
QUANTITIES	Not Specified	Not Specified	16	16

1. Portion of baseline DHS APB \$610M applicable to Discrete Segment 5; all figures rounded to the nearest whole number

Discrete Segment 5 Cost Performance Measurements (Missionization)

Once the segment enters Capability Development & Demonstration phase, Earned Value Management (EVM) will be used to monitor cost performance on future work not performed under fixed price contracts (or by government agencies) and will be reported in accordance with DHS periodic reporting requirements. For government agencies that do not have certified EVM systems, EVM-like performance, schedule and cost data will be obtained and used to create alternate measurements that address EVM reporting parameters.

SECTION E: INCREMENT 2 DESCRIPTION (UN-FUNDED)

Increment 2 has one unfunded Discrete Segment—Rewire and Service Life Extension Program (Rewire/SLEP). This unfunded segment (\$80M) involves a comprehensive replacement of aging aircraft wiring and fatigued aircraft structures. These efforts are necessary in order to continuing operating the aircraft until 2027.

SECTION E.1: Discrete Segment 1 Capability Baseline (Rewire/SLEP)**Section E.1.1: Discrete Segment 1 Performance (Rewire/SLEP)**

This segment will not provide any new capabilities, only extends the life for key aircraft components.

Discrete Segment 1 Technical Performance Measurement (Rewire/SLEP)

Installation and integration reviews and management reviews will be used to monitor performance, after the segment enters Capability Development & Demonstration phase.

Section E.1.2: Discrete Segment 1 Schedule (Rewire/SLEP)

If funding is provided, the schedule for rewire/SLEP will be identical to that for Center Wing Box, because these segments should be completed simultaneously.

Discrete Segment 1 Schedule Performance Measurement (Rewire/SLEP)

An IMS will be created when this segment enters CD&D.

Section E.1.3: Discrete Segment 1 Cost (Rewire/SLEP)**Discrete Segment 1 Key Cost Performance Parameters (Rewire/SLEP)**

Program Cost Estimate in <i>Then Year</i> Dollars (Millions)				
Current Phase: C&TD				
Cost Categories	Baseline Threshold	Baseline Objective	Revision #1 Threshold	Revision #1 Objective
ACQUISITION	NOT SPECIFIED	NOT SPECIFIED	\$86.4M	\$80M
QUANTITIES	NOT SPECIFIED	NOT SPECIFIED	16	16

Discrete Segment 1 Cost Performance Measurements (Rewire/SLEP)


Once the segment enters Capability Development & Demonstration phase, Earned Value Management (EVM) will be used to monitor cost performance on future work not performed under fixed price contracts (or by government agencies) and will be reported in accordance with DHS periodic reporting requirements. For government agencies that do not have certified EVM systems, EVM-like performance, schedule and cost data will be obtained and used to create alternate measurements that address EVM reporting parameters.

MAY 22 2009

Homeland
Security

ACQUISITION DECISION MEMORANDUM

MEMORANDUM FOR: Vivien S. Crea VADM
Vice Commandant USCG

FROM: Elaine C. Duke 
Under Secretary for Management

SUBJECT: HC-130J Fleet Introduction Acquisition Program
Baseline

REFERENCE: Department of Homeland Security Acquisition Program Baseline
Guidance

The attached Acquisition Program Baseline (APB) (Version 1.0) for the HC-130J Fleet Introduction Program has been reviewed and approved. The APB serves as the documented program of record for the HC-130J Fleet Introduction, and the program is approved to execute in accordance with the cost schedule and performance baselines established in the APB.

In parallel with HC-130J Fleet Introduction execution, the following actions are to be completed within six months of the date of this memorandum:

- Submit an updated Life Cycle Cost Estimate (LCCE) and supporting documentation to James Manzo, Director, Cost Analysis Division in the Office of the Chief Procurement Officer (OCPO) for review. Coordinate with the OCPO CAD to update the HC-130J LCCE in order to ensure consistency and conformance with the requirements of the Department of Homeland Security (DHS) Directive 102-01.
- Submit a Test and Evaluation Master Plan (TEMP) to George Ryan, Director Operational Test and Evaluation (DOT&E) for approval. Coordinate with DHS DOT&E to update the HC-130J in order to ensure consistency and conformance with requirements of DHS Directive 102-01.
- Submit an Integrated Logistic Support Plan (ILSP) for review to John Higbee, Director, Acquisition Program Management Division (APMD). Coordinate with OCPO APMD to update the HC-130J ILSP in order to ensure consistency and conformance with the requirements of DHS Directive 102-01.

If you have any questions, please contact Page Glennie at (202) 447-5492.

Attachment

cc:

Deputy Secretary

Assistant Secretary for Policy

DHS Chief Financial Officer

DHS Chief Procurement Officer

DHS Chief Information Officer

DHS S&T

**U.S. Department of
Homeland Security**
**United States
Coast Guard**




Commandant
United States Coast Guard

2100 Second Street, S.W.
Washington, DC 20583-0001
Staff Symbol: CG-924
Phone: (202) 475-3150
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Email: Peter.J.Boyd@uscg.mil

MEMORANDUM

5000

DEC 11 2008

From: 
V. S. CREA, VADM
Vice Commandant

Reply to: CG-924
Attn of: P. Boyd

To: E. C. DUKE
DHS, Under Secretary for Management

Thru: J. HIGBEE
DHS, Acquisition Program Management Division

Subj: HC-130J FLEET INTRODUCTION PROJECT ACQUISITION PROGRAM
BASELINE (APB) REVISION

Ref: (a) DHS Acquisition Program Baseline Guidance, 31 March 2008

1. In accordance with reference (a), I am submitting the revised HC-130J Project APB for your review and approval.

#

Enclosure: (1) HC-130J APB

Acquisition Program Baseline
For
HC-130J FLEET INTRODUCTION

Submitted by:		<u>6 Oct 08</u>
	HC 130J Project Manager (CG-9311)	Date
Endorsed by:	^{For Richard Setz} 	<u>6 OCT 08</u>
	Acquisition Program Manager Aviation (CG-931)	Date
Validated by:		<u>8 Oct 08</u>
	Chief, Acquisition Support (CG-924)	Date
Endorsed by:		<u>14 OCT 08</u>
	Aviation Program Sponsor (CG-7)	Date
Endorsed by:	 for	<u>15 OCT 08</u>
	Director of Acquisition Programs (CG-93)	Date
Endorsed by:		<u>16 Oct 08</u>
	Chief Acquisition Officer (CG-9)	Date
Endorsed by:		<u>17 OCT 08</u>
	Chief of Staff (CG-01)	Date
Endorsed by:		<u>12/5/08</u>
	USCG Agency Acquisition Executive	Date

Acquisition Decision Memo Approval Received:

MAY 22 2009

Date

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HC-130J Fleet Introduction Acquisition Program Baseline v1.0

Revision Summary

Version	Change	Effective Date
Baseline	Integrated Deepwater System (IDS) APB Version 1.1 approved by the Coast Guard Agency Acquisition Executive 07 Nov 2006 and Approved by Department of Homeland Security (DHS) Investment Review Board (IRB) on 15 May 2007. This APB considers the date approved by the Coast Guard's Acquisition Executive as the baseline date.	7 November 2006
1.0	Department guidance for preparation of the FY10-14 Resource Allocation Plan (RAP) directed preparation of discrete Acquisition Program Baselines (APB) for each major IDS acquisition project. This APB documents the standalone C-130J Fleet Introduction program baseline.	18 September 2008

Note: Subsequent to the submission of Version 1.0 of this Acquisition Program Baseline, the FY-09 budget was passed. It included \$13.25 M in funding for the missionization of aircraft 5-6, which reduces the unfunded requirement to \$10.45 M.

SECTION A. REVISION SUMMARY -VERSION 1.0

The United States Coast Guard Integrated Deepwater System (IDS) Acquisition Program Baseline (APB) was approved by the DHS Investment Review Board (IRB) on 15 May 2007. Department of Homeland Security (DHS) Guidance for the FY10-14 Resource Allocation Plan (RAP) directed individual APBs for each project. This discrete HC-130J Fleet Introduction APB:

- a. Aligns with the post 9/11 Integrated Deepwater System Mission Need Statement (MNS) (and its supporting performance gap analysis) and updates to the Deepwater Implementation plan; and
- b. Reflects revised cost and schedule projections for HC-130J Fleet Introduction project.

The purpose of this HC-130J Fleet Introduction APB is to provide a standalone consolidated baseline for managing the HC-130J Fleet Introduction project. The following changes are incorporated into this APB submission:

- a. Sub-divides the overall project by Increment.
- b. Addition of Key Cost, Schedule, and Performance Parameters by Increment.
- c. Schedule Performance Parameters: Changes to key milestones due to schedule slippage and separation of schedule parameters by Increment
- d. Cost Performance Parameters: Alignment of cost to reflect changes in the cost of aircraft missionization (system design, development, test and installation), additional logistics support, SIPRNET certification and the addition of crash worthy seats.

B: HC-130J Fleet Introduction Program Overview**B.1: Strategic Goals**

The acquisition will significantly enhance the USCG's ability to support the strategic objectives for homeland security, derived from the National Strategy for Homeland Security. The following is a summary of the DHS strategic goals, programs and program performance goals that will be directly supported by the HC-130J Fleet Introduction project:

- 1) **DHS Strategic Goal: Continue to Protect our Nation from Dangerous People**
 - Coast Guard Program: Drug Interdiction Program Performance Goal: Reduce the flow of illegal drugs entering the U.S. via non-commercial maritime shipping sources.
 - Coast Guard Program: Migrant Interdiction Program Performance Goal: Eliminate the flow of undocumented migrants via maritime routes to the U.S.
 - Coast Guard Program: Other Law Enforcement Program Performance Goal: Reduce the number of illegal vessel incursions into the U.S. Exclusive Economic Zone.
- 2) **DHS Strategic Goal: Protect Critical Infrastructure**
 - Coast Guard Program: Marine Environmental Protection Program Performance Goal: Eliminate oil spills and chemical discharge incidents.
 - Coast Guard Program: Living Marine Resources Program Performance Goal: Achieve sustained fisheries regulation compliance on our Nation's Oceans.
 - Coast Guard Program: Ports Waterways and Coastal Security (PWCS) Program Performance Goal: Reduce homeland security risk in the maritime domain.
 - Coast Guard Program: Marine Safety Program Performance Goal: Eliminate maritime fatalities and injuries on our Nation's oceans and waterways.
- 3) **DHS Strategic Goal: Build a Nimble, Effective Emergency Response System and Culture of Preparedness**
 - Coast Guard Program: Defense Readiness Program Performance Goal: Support our national security and military strategies by ensuring assets are at the high level of readiness required by the combatant commander.
 - Coast Guard Program: Search and Rescue Program Performance Goal: Save mariners in imminent danger on our Nation's oceans and waterways.

B.2: Mission Need

Critical USCG missions require an integrated system of Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR), to maximize operational effectiveness. The USCG air asset mission systems currently used to perform extended reconnaissance are obsolete. Installing an improved mission systems suite establishes the ability to achieve mission success as it provides coordinated tactics, integrated intelligence, multi-agency interoperability and common situational awareness necessary to fulfill the missions with

HC-130J Fleet Introduction Acquisition Program Baseline v1.0

the currently planned force mix and is essential to achieving mission success in the fourteen Congressionally-mandated missions.

B.3: Program Description

The HC-130J Fleet Introduction project will install mission systems on six previously purchased baseline C-130J aircraft that were delivered to the Coast Guard in 2003 and have been augmenting the HC-130H fleet by providing airlift support. The modification to the baseline aircraft will deliver a missionized version that would meet expanded USCG mission requirements. The scope of the project includes missionization and mission support.

Missionization includes the non-recurring engineering (NRE) for mission system and supporting systems design; as well as the procurement, delivery, installation, integration and testing of the necessary mission equipment to meet missionized HC-130J system performance requirements. Mission equipment includes a belly-mounted 360 degree Field of View (FOV) surface search radar and Electro Optical Infra Red (EO/IR) sensors, communication subsystems, mission controlling and integrating subsystems and mission operator interfaces. The missionization will allow the HC-130J to perform surveillance, detection, classification, identification, and prosecution (SDCIP) of targets of interest.

Mission support addresses integrated logistics support, including development and delivery of mission equipment operating and maintenance training, technical manuals, associated spares and support equipment, the engineering technical data package, and management of mission equipment warranty provisions.

The project is also responsible for program management, procurement of equipment, system design and integration, software development, equipment deliveries and installation, and system test. Additionally, the project is responsible for initial logistics support.

The previous Coast Guard IDS APB was approved by the DHS IRB on 15 May 2007. However, department guidance for preparation of the FY10-14 RAP directed preparation of discrete APBs for each major acquisition project that:

- 1) Aligns with the post-9/11 Deepwater Mission Needs Statement (MNS) (and its supporting performance gap analysis) and latest update to the Deepwater Implementation plan.
- 2) Reflects revised cost and schedule projections for the missionization of the HC-130J aircraft, including: completion of testing and incorporation of the mission systems in aircraft 1-3, incorporation of the mission systems in aircraft 4-6, inclusion of Secret Internet Protocol Routing Network (SIPRNET) and crash worthy seats, and initial provisioning of aircraft spares.
- 3) Reflects revised cost and schedule projections for HC-130J Fleet Introduction of the missionized aircraft.
- 4) Incorporates sponsor-driven Key Performance Parameters (KPPs) to accurately reflect current program timelines and objectives

The purpose of this HC-130J Fleet Introduction APB is to update the baseline information from the prior IDS APB and provide a standalone APB documenting the program baseline for the HC-130J Fleet Introduction. The following program changes are incorporated into this APB submission:

HC-130J Fleet Introduction Acquisition Program Baseline v1.0

- 1) Due to funding considerations, the overall HC-130J Fleet Introduction Program baseline encompasses two Increments:
 - Increment 1 provides for missionization, test, government furnished equipment integration and limited logistics support for missionized aircraft 1-4, and system design/development and missionization equipment for six aircraft.
 - Increment 2 provides for missionization, test, and government furnished equipment integration for aircraft 5 - 6, and SIPRNET certification, installation of crash worthy seats and restoration/addition of logistics support for all six aircraft.
- 2) Performance Parameters: The HC-130J Fleet Introduction performance parameters align with the post-9/11 Deepwater MNS and are the same as the KPPs listed in the HC-130J Operational Requirements Document (ORD).
- 3) Schedule Performance Parameters: Development and Trial Kit Installation, and testing efforts required greater resources and time than anticipated for production and delivery of missionized aircraft 1-3. That schedule change along with subsequent funding challenges delayed the start and subsequent production of missionized aircraft 4-6.
- 4) Cost Performance Parameters: Cost performance parameters have been updated to reflect changes in the cost of aircraft missionization (system design, development, test and installation), additional logistics support, SIPRNET certification and the addition of crash worthy seats.

B.4: References

This section identifies the relevant source documents used to establish the project baseline in the APB.

Requirement Parameters	Cost Parameters	Schedule Parameters
Mission Need Statement, Deepwater, Apr 05	Life Cycle Cost Estimate, Deepwater APB, May 07	Integrated Master Schedule, Deepwater APB, May 07
Operational Requirements Document, Dec 2003	Alternatives Analysis, Deepwater, Mar 99	
	Program Office Life Cycle Cost Estimate 30 June 2008	

HC-130J Fleet Introduction Acquisition Program Baseline v1.0

C: Overall HC-130J Fleet Introduction Program Baseline

The missionization of six C-130J aircraft will allow the HC-130J to perform surveillance, detection, classification, identification, and prosecution (SDCIP) of targets of interest. Assigning the C-130J missionization to the IDS Program, and aligning it with the MPA solution, ensures interoperability of mission essential equipment with the IDS.

The overall HC-130J Fleet Introduction Program baseline consists of the combined performance, schedule, and cost parameters described in Increments 1 and 2.

C.1: HC-130J Fleet Introduction Performance

The HC-130J Fleet Introduction performance parameters align with the post-9/11 Deepwater MNS and are the same as the KPPs listed in the HC-130J Operational Requirements Document (ORD). The threshold is the minimum value necessary to provide an operational capability that will satisfy the requirement. The objective is a value beyond the threshold that provides a performance capability above the threshold that may be attainable within the costs identified in the HC-130J Fleet Introduction APB. If there is no objective then the threshold and objective values are the same. This table integrates the limited KPPs provided in the previously-approved APB with those established in the ORD.

Key Performance Parameters

KEY PERFORMANCE PARAMETER (KPP)	BASELINE 07 NOV 06		REVISION #1 18 SEPT 08	
	THRESHOLD	OBJECTIVE	THRESHOLD	OBJECTIVE
High Altitude Patrol Speed (Knots)	245		Deleted	
Low Altitude Patrol Speed (Knots)	245		Deleted	
Detection Range (NM)	50.0		50.0 at 5000 ft altitude, for vessels 15 ft < x < 50 ft, in Sea State 3, with 90% Probability of Detection (PoD) on one pass—representative vessel is a 30 ft Wellcraft Scarab with fiberglass hull, center console, and twin 200+ Horse Power Outboard Engines	
Interoperability	Integration of mission system shall provide a user interface in accordance with the Common Operating Environment User Interface specification & shall provide support for multi-asset unit coordination.		Deleted	
Operational Availability (A ₀)	0.71	0.80	No change	No change

HC-130J Fleet Introduction Acquisition Program Baseline v1.0

KEY PERFORMANCE PARAMETER (KPP)	BASELINE 07 NOV 06		REVISION #1 18 SEPT 08	
	THRESHOLD	OBJECTIVE	THRESHOLD	OBJECTIVE
Coast Guard Cargo Transport and Delivery	Not Specified			<p>The HC-130J must have at least the same payload and airdrop capacity as the HC-130H and shall be able to transport:</p> <ul style="list-style-type: none"> - MH-65 (law Maintenance Procedure Card 07000.0) - Standard National Strike Force equipment and personnel deployment load out - Standard Marine Safety & Security Team equipment and personnel deployment load out - Vessel of Opportunity Skimming System equipment load out <p>- 86 Ground Troops or 58 paratroops and equipment - 66 patients in litters</p>
Endurance	Not Specified			<p>The HC-130J unrefueled endurance shall allow a transit to a Commence Search Point of 1.5 hrs at Flight Level 250 (25,000 ft) on scene endurance of 8.0 hours and return to base with a 45 min fuel reserve.</p>
Navigation	Not Specified			<p>The aircraft shall be capable of worldwide military and civil operations in support of all proposed Coast Guard mission areas. To meet this requirement the aircraft must comply with Required Navigational Precision and Reduced Vertical Separation Minimums standards, which includes, but is not limited to, a flight management system, displays, interfaces, controls, steering and procedural functions, and alerting.</p>
Aircraft Launch	Not Specified			<p>The HC-130J shall be able of being airborne in 30 minutes or less for SAR or Law Enforcement Missions</p>
Communications w/Coast Guard C2 Nodes	Not Specified			<p>Each flight deck aircrew member shall independently have the capability to tune and select the radio frequencies and modes listed in Table 4-3 of the ORD: Aircraft Communication Capability Requirements.</p>

Technical Performance Measurement

Design, Production and Logistics Reviews & Analyses and Developmental Test & Evaluation (DT&E) have been used to monitor technical performance and quality. Routine daily on site inspections are also being used to verify technical performance and quality. The results of these reviews and analyses are reported in accordance with DHS periodic reporting requirements.

HC-130J Fleet Introduction Acquisition Program Baseline v1.0

C.2: Investment Schedule - Key schedule parameters for the production and deployment phases listed in the Revision #1 18 SEPT 08 columns of the table below reflect revised schedule projections.

Key Schedule Parameters

Key Schedule Parameters MAJOR PROJECT EVENT	BASELINE 07 NOV 06		REVISION #1 18 SEPT 08	
	THRESHOLD	OBJECTIVE	THRESHOLD	OBJECTIVE
SYSTEM REQUIREMENTS REVIEW (SRR)	08/05	08/05		
PRELIMINARY DESIGN REVIEW (PDR)	02/06	02/06		
CRITICAL DESIGN REVIEW (CDR)	11/06	11/06		
1 ST AIRCRAFT DELIVERED	1QFY08	1QFY08	02/08	02/08
COMPLETE INITIAL OPERATIONAL TEST & EVALUATION (IOT&E)	4QFY08	2QFY08	2QFY09	4QFY08
INITIAL OPERATIONAL CAPABILITY (IOC)	4QFY08	2QFY08	1QFY09	3QFY08
LAST AIRCRAFT DELIVERED	3QFY09	1QFY09	2QFY11 ^{(1) (2)}	4QFY10 ^{(1) (2)}
FULL OPERATIONAL CAPABILITY (FOC)	3QFY09	1QFY09	2QFY11 ^{(1) (2)}	4QFY10 ^{(1) (2)}

(1) Increment 1: Development, Trial Kit Installation, and testing efforts required greater resources and time than anticipated for production and delivery of missionized aircraft 1-3. That schedule change along with subsequent funding challenges delayed the start and subsequent production of missionized aircraft 4.

(2) Increment 2: Schedule reflects funding in 1QFY09 for aircraft 5 and 6, crash worthy seats, and logistics.

Schedule Performance Measurement

The Integrated Master Schedule (IMS) and Earned Value Management (EVM) were used to monitor schedule performance during development. EVMS is not being used for the production FFP contract. An updated IMS is being developed for the production effort.

C.3: Investment Cost

The HC-130J Fleet Introduction cost parameters reflect current cost projections for the project. The May 2007 APB captured only the government specific fleet introduction costs (\$11M) and not the total project cost for missionization. Revision 1 shows the total mission system acquisition costs, which add in the mission system design and installation contract costs (for development and production), integrated logistics support costs, and the government program, test and engineering changes costs. The current total acquisition costs (as adjusted) are \$162.5M. The table below summarizes the previous and revised cost projections.

HC-130J Fleet Introduction Acquisition Program Baseline v1.0

Key Cost Performance Parameters

COST (THEN YEAR \$)	BASELINE	REVISION 1 INCREMENT 1	REVISION 1 INCREMENT 2
CURRENT PHASE: P&D	07 NOV 2006	18 SEPT 2008	18 SEPT 2008
TOTAL ACQUISITION COST	\$11M⁽¹⁾	\$138.8M^{(1) (2)}	\$23.7M^{(1) (2)}
O&M COST⁽⁴⁾	Not Specified	\$157.3M⁽³⁾	\$78.6M⁽³⁾
LIFE-CYCLE COST ESTIMATE	\$6,551M	\$296.1M⁽³⁾	\$102.3M⁽³⁾
QUANTITIES	6	4	2
USEFUL LIFE	30 Years		

(1) The baseline reflects only the Coast Guard costs associated with fleet introduction of the missionized aircraft. Mission systems acquisition and logistics costs were not included. Revision #1 corrects this by incorporating the acquisition costs for the missionization and logistics support of aircraft #1-6.

(2) The total acquisition cost of \$162.5M for both Increments includes costs for:

- System design and development
- Mission systems equipment and material for six aircraft
- Installation and test of mission systems in six aircraft
- Government furnished equipment integration
- SIPRNET certification
- Crash worthy seats
- Integrated logistics support for aircraft #1-6

(3) The Baseline Objective life cycle cost estimate included O&M costs for the baseline aircraft as well as the mission systems under acquisition. Costs shown for Revision #1 reflect most recent estimates performed by the Coast Guard Office of Aviation Acquisition Cost Team, and only address costs associated with the missions systems, i.e. operating costs for the aircraft are not included in the LCC estimate of the mission system acquisition project.

(4) The split of O&M Cost between the two Increments assumes equal O&M costs for all aircraft.

Cost Performance Measurements

EVM was used to monitor cost performance for the developmental piece of the HC-130J Fleet Introduction. Because the remaining work is not developmental in nature, the production effort will be performed under a Firm Fixed Price (FFP) contract and therefore EVM is not required.

HC-130J Fleet Introduction Acquisition Program Baseline v1.0

D: HC-130J Fleet Introduction Increment 1

Increment 1 represents the number of aircraft that have had or will have mission systems installed with the current level of funding. Installation of mission systems on the remaining aircraft will be accomplished with additional funding and are detailed in Section E of this document (Increment 2).

D.1: HC-130J Fleet Introduction Increment 1 Performance

The performance parameters for HC-130J Fleet Introduction Increment 1 are identical to the Key Performance Parameters cited in section C.1.

D.2: HC-130J Fleet Introduction Increment 1 Schedule

Key schedule parameters for Increment 1 of the production and deployment phase listed in the table below reflect revised schedule projections and these are consistent with the Key Schedule Parameters cited in section C.2.

Key Schedule Parameters

Key Schedule Parameters MAJOR PROJECT EVENT	BASELINE 07 NOV 06		REVISION #1 18 JUN 08	
	THRESHOLD	OBJECTIVE	THRESHOLD	OBJECTIVE
SYSTEM REQUIREMENTS REVIEW (SRR)	08/05	08/05		
PRELIMINARY DESIGN REVIEW (PDR)	02/06	02/06		
CRITICAL DESIGN REVIEW (CDR)	11/06	11/06		
1 ST AIRCRAFT DELIVERED	1QFY08	1QFY08	02/08	02/08
COMPLETE INITIAL OPERATIONAL TEST & EVALUATION (IOT&E)	4QFY08	2QFY08	2QFY09 ⁽¹⁾	4QFY08 ⁽¹⁾
INITIAL OPERATIONAL CAPABILITY (IOC)	4QFY08	2QFY08	1QFY09 ⁽¹⁾	3QFY08 ⁽¹⁾
AIRCRAFT#4 DELIVERED (INCREMENT/SEGMENT 1)	4QFY08	2QFY08	3QFY10 ⁽¹⁾	4QFY09 ⁽¹⁾

(1) Development, Trial Kit Installation, and testing efforts required greater resources and time than anticipated for production and delivery of missionized aircraft 1-3. That schedule change along with subsequent funding challenges delayed the start and subsequent production of missionized aircraft 4.

HC-130J Fleet Introduction Acquisition Program Baseline v1.0

D.3: HC-130J Fleet Introduction Increment 1 Cost

The Increment 1 costs reflect current funding levels that will support the missionization of aircraft 1-4. The current available funding is \$139.8M. The table below summarizes the costs associated with Increment 1. The objective is the target cost and the threshold is maximum cost.

Key Cost Performance Parameters

COST (THEN YEAR \$)	BASELINE 07 NOV 2006	REVISION #1 INCREMENT 1 18 SEPT 2008	
CURRENT PHASE: P&D	THRESHOLD	THRESHOLD	OBJECTIVE
TOTAL ACQUISITION COST	\$11M ⁽¹⁾	\$149.9M ⁽¹⁾⁽²⁾	\$138.8M ⁽¹⁾⁽²⁾
O&M COST⁽⁴⁾	NOT SPECIFIED	\$169.9M⁽³⁾	\$157.3M⁽³⁾
LIFE-CYCLE COST ESTIMATE	\$6,551M	\$319.8M⁽³⁾	\$296.1M⁽³⁾
QUANTITIES	6	4	
USEFUL LIFE	30 YEARS		

(1) The baseline reflects only the Coast Guard costs associated with fleet introduction of the missionized aircraft. Mission systems acquisition and logistics costs were not included. Revision #1 corrects this by incorporating the acquisition costs for the missionization and logistics support of aircraft #1-4.

(2) The \$149.9M threshold and \$138.8M objective total acquisition cost includes costs for:

- System design and development
- Mission systems equipment and material for six aircraft
- Installation and test of mission systems in aircraft #1-4.
- Government furnished equipment integration for aircraft #1-4.
- Limited Integrated logistics support for aircraft #1-4

(3) The Baseline Objective life cycle cost estimate included O&M costs for the baseline aircraft as well as the mission systems under acquisition. Costs shown for Revision #1 reflect most recent estimates performed by the Coast Guard Office of Aviation Acquisition Cost Team, and only address costs associated with the mission systems, i.e. operating costs for the aircraft are not included in the LCC estimate of the mission system acquisition project.

(4) O&M Cost assumes that two-thirds of the project O&M costs are generated by the four Increment 1 aircraft.

Cost Performance Measurements

EVM was used to monitor cost performance for the developmental piece of the HC-130J Fleet Introduction. Because the remaining work is not developmental in nature, the production effort will be performed under a Firm Fixed Price (FFP) contract and therefore EVM is not required. However, to monitor project progress, the on-site COTR performs a daily walk-around inspection and a weekly review of master production schedule and detailed inspections of the aircraft with the contractor's lead test engineer, production engineer, and quality assurance manager. In addition, the contractor provides a comprehensive monthly project update which is carefully reviewed by the project manager, contracting officer, and aviation acquisition program manager.

HC-130J Fleet Introduction Acquisition Program Baseline v1.0

E: HC-130J Fleet Introduction Increment 2

Increment 2 represents the unfunded portion of the HC-130J Fleet Introduction project, which includes missionization of the remaining two aircraft, selected aircraft improvements and logistics support.

E.1: HC-130J Fleet Introduction Increment 2 Performance

The performance parameters for HC-130J Fleet Introduction Increment 1 are identical to the Key Performance Parameters cited in section C.1.

E.2: HC-130J Fleet Introduction Increment 2 Schedule

Key schedule parameters for Increment 2 of the production and deployment phase listed in the table below reflect revised schedule projections and these are consistent with the Key Schedule Parameters cited in section C.2.

Key Schedule Parameters

Key Schedule Parameters MAJOR PROJECT EVENT	BASELINE 07 NOV 06		REVISION #1 18 JUN 08	
	THRESHOLD	OBJECTIVE	THRESHOLD	OBJECTIVE
LEAD ASSET (AIRCRAFT #5) DELIVERED	4QFY08	2QFY08	2QFY10 ^{(1), (2)}	1QFY10 ^{(1), (2)}
FULL OPERATIONAL CAPABILITY (FOC) (COMPLETE INCREMENT 2)	3QFY09	1QFY09	2QFY11 ^{(1), (2)}	4QFY10 ^{(1), (2)}

(1) Development and Trial Kit Installation, and testing efforts required greater resources and time than anticipated for production and delivery of missionized aircraft 1-3. That schedule change along with subsequent funding challenges delayed the start and subsequent production of missionized aircraft 4. This Increment 1 schedule change affects the Increment 2 schedule.

(2) Increment 2: Schedule reflects funding in 1QFY09 for aircraft 5 and 6, crash worthy seats, and logistics.

E.3: HC-130J Fleet Introduction Increment 2 Cost

Increment 2 costs parameters reflect current cost projections for the HC-130J Fleet Introduction project, which includes missionization of the remaining two aircraft, selected aircraft improvements and logistics support. The current unfunded total acquisition costs for the project is \$24.6M. The table below summarizes Increment 2 costs.

HC-130J Fleet Introduction Acquisition Program Baseline v1.0

Key Cost Performance Parameters

COST (THEN YEAR \$)	BASELINE 07 NOV 06	REVISION 1 INCREMENT 2 18 SEPT 2008	
CURRENT PHASE: CD&D	THRESHOLD	THRESHOLD	OBJECTIVE
TOTAL ACQUISITION COST	\$11M ⁽¹⁾	\$25.60M ^{(1) (2)}	\$23.7M ^{(1) (2)}
O&M COST⁽⁴⁾	NOT SPECIFIED	\$84.9M ⁽³⁾	\$78.6M ⁽³⁾
LIFE-CYCLE COST ESTIMATE	\$6,551M ⁽³⁾	\$110.5M ⁽³⁾	\$102.3M ⁽³⁾
QUANTITIES	6	2	
USEFUL LIFE	30 YEARS		

(1) The original baseline objective reflects only the Coast Guard costs associated with fleet introduction of the missionized aircraft. Mission systems acquisition and logistics costs were not included. Revision #1 corrects this deficiency by incorporating the acquisition costs for the missionization and logistics support of aircraft #5-6.

(2) The \$23.7M is based on the assumption that funding is available in 1QFY09 and includes costs for:

- Installation and test of mission systems in aircraft #5-6.
- Government furnished equipment integration for aircraft #5-6.
- SIPRNET certification for aircraft #1-6.
- Crash worthy seats for aircraft #1-6.
- Restoring/adding logistics support for aircraft #1-4 / 5-6

(3) The Baseline Objective life cycle cost estimate erroneously included O&M costs for the baseline aircraft as well as the mission systems under acquisition. Costs shown for Revision #1 reflect most recent estimates performed by the Coast Guard Office of Aviation Acquisition Cost Team, and address costs associated with the mission systems.


(4) O&M Cost assumes one-third of total project O&M Costs generated by aircraft 5 and 6.

AUG 25 2009

Homeland
Security

ACQUISITION DECISION MEMORANDUM

MEMORANDUM FOR: VADM Dave Pekoski
Vice Commandant, U.S. Coast Guard

FROM: Elaine C. Duke 
Under Secretary for Management

SUBJECT: Fast Response Cutter (Sentinel Class Patrol Boat) Acquisition
Program Baseline (Version 1.0)

The attached Acquisition Program Baseline (APB) (Version 1.0) for the Fast Response Cutter (FRC) (Sentinel Class Patrol Boat) Program has been reviewed and approved. The APB serves as the documented program of record for the FRC, and the program is approved to execute in accordance with the cost, schedule and performance baselines established in the APB. In parallel with FRC execution, please complete the following actions:

- Submit an updated FRC Life Cycle Cost Estimate and supporting documentation to James Manzo, Director, Cost Analysis Division (CAD) of the Office of the Chief Procurement Officer (OCPO) for review within six months of the date of this memorandum. You may need to coordinate with the OCPO CAD to ensure consistency and conformance with the requirements of Department of Homeland Security (DHS) Directive 102-01;
- Submit an updated FRC Test and Evaluation Master Plan (TEMP) to George Ryan, Director Operational Test and Evaluation (DOT&E) for approval within six months of the date of this memorandum. You may need to coordinate with DHS DOT&E to ensure consistency and conformance with the requirements of DHS Directive 102-01; and
- Submit an FRC Integrated Logistic Support Plan to John Higbee, Director, Acquisition Program Management Division (APMD) within six months of the date of this memorandum. You may need to coordinate with DHS APMD to ensure consistency and conformance with the requirements of DHS Directive 102-01.

If you have any questions, please contact Page Glennie, OCPO Program Analyst, at (202) 447-5492.

Attachment

cc:

Deputy Secretary Lute

Acting Under Secretary for Science and Technology

Assistant Secretary, Office of Policy

Acting Chief Financial Officer

Chief Information Officer

Chief Procurement Officer

U.S. Department of
Homeland Security

United States
Coast Guard



Commandant
United States Coast Guard

2100 Second Street, S.W.
Washington, DC 20593-0001
Staff Symbol: CG-924
Phone: (202) 475-3150
Fax: (202) 475-3916
Email: Peter.J.Boyd@uscg.mil

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FEB 12 2009

MEMORANDUM

From: *V.S. CREA*
V. S. CREA, VADM
Vice Commandant

Reply to CG-924
Attn of: P. Boyd

To: E. C. DUKE
DHS, Under Secretary for Management

Thru: J. HIGBEE
DHS, Acquisition Program Management Division

Subj: FAST RESPONSE CUTTER (SENTINEL CLASS PATROL BOAT) ACQUISITION
PROGRAM BASELINE (APB) REVISION

Ref: (a) DHS Acquisition Instruction/Guidebook #102-01-001: Appendix K, Acquisition
Program Baseline, 7 November 08

1. In accordance with reference (a), I am submitting the revised FRC Project APB for your
review and approval.

#

Enclosure: (1) FRC APB

ACQUISITION PROGRAM BASELINE
for the
FAST RESPONSE CUTTER (SENTINEL CLASS PATROL BOAT)




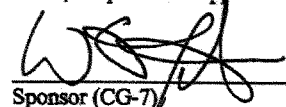

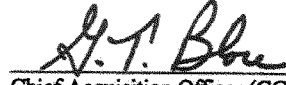


Submitted by:	 Project Manager (CG-9324)	<u>12/12/08</u> Date
Endorsed by:	 Program Manager (CG-932)	<u>12/17/08</u> Date
Validated by:	 Chief, Acquisition Support Office (CG-924)	<u>12/17/08</u> Date
Endorsed by:	 Sponsor (CG-7)	<u>12/21/08</u> Date
Endorsed by:	 Director of Acquisition Programs (CG-93)	<u>1/29/09</u> Date
Endorsed by:	 Chief Acquisition Officer (CG-9)	<u>2/3/09</u> Date
Endorsed by:	 Chief of Staff (CG-01)	<u>2/5/09</u> Date
CG approval by:	 Component Acquisition Executive (VCG)	<u>2/11/09</u> Date
DHS approval by ADA:		<u>AUG 25 2009</u> Date

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A. Revision Summary

The Coast Guard Integrated Deepwater System (IDS) APB Version 1.1 was approved by the Coast Guard Component Acquisition Executive (CAE) on 07 Nov 2006 and approved by Department of Homeland Security (DHS) Investment Review Board (IRB) on 15 May 2007.

Since the approval of IDS APB v1.1, the Department has directed individual APBs for each IDS project to improve visibility and facilitate oversight. This revision #1 is the first individual APB for the Fast Response Cutter (FRC). It combines previously separate APB's for the FRC-A and FRC-B into one FRC APB reflecting the Coast Guard requirement for a total of 58 FRC's. The following changes have been made:

- a. Key Performance Parameters: Revised to reflect KPPs in the FRC-B Top Level Requirements Decision Memo approved by the CAE on 03 Nov 06.
- b. Cost Performance Parameters: Revised to include two increments as shown below. The IDS APB v1.1 included the FRC-A (\$2,613M) and FRC-B (\$593M) with total funding of \$ 3,206M for 58 cutters.

Increment 1: Revises the previous IDS APB to reflect an FRC Increment 1 (funded/budgeted) total acquisition cost of \$3,171M. This will provide 48 cutters and associated spare parts, shore facilities, economic price adjustments, etc.

Increment 2: Revision adds an Increment 2 (unbudgeted) with a total acquisition cost of \$757M. This will provide 10 cutters and associated spare parts, shore facilities, economic price adjustments, etc.

All cost information was updated to reflect actual contract costs from the 26 Sep 2008 award to Bollinger Shipyard. The Life-Cycle Cost Estimate (LCCE) was also updated to reflect the changes in Service Life and acquisition strategy. Per DHS APB Guidance dated 07 Nov 08, Operations and Maintenance Costs have been displayed separately from the Life Cycle Cost Estimate.

- c. Schedule Performance Parameters: New events were added as required by the latest DHS APB Guidance (dated 07 Nov 08). Several parameters are no longer applicable due to the Coast Guard terminating the FRC-B acquisition with Integrated Coast Guard Systems (ICGS).

B. Project Overview

B.1. Strategic Goals - DHS strategic goals, programs and program performance goals to be directly supported by the FRC include:

- 1) **Goal**: Continue to Protect our Nation from Dangerous People
 - a) Coast Guard Mission Program: Drug Interdiction
Program Performance Goal: Reduce the flow of illegal drugs entering the U.S. via non-commercial maritime shipping sources.

- b) Coast Guard Mission Program: Migrant Interdiction
Program Performance Goal: Eliminate the flow of undocumented migrants via maritime routes to the U.S.
 - c) Coast Guard Mission Program: Other Law Enforcement
Program Performance Goal: Reduce the number of illegal vessel incursions into the U.S. Exclusive Economic Zone.
- 2) **Goal**: Protect Critical Infrastructure
- a) Coast Guard Mission Program: Marine Environmental Protection
Program Performance Goal: Eliminate oil spills and chemical discharge incidents.
 - b) Coast Guard Mission Program: Living Marine Resources
Program Performance Goal: Achieve sustained fisheries regulation compliance on our Nation's Oceans.
 - c) Coast Guard Mission Program: Ports Waterways and Coastal Security (PWCS)
Program Performance Goal: Reduce homeland security risk in the maritime domain.
 - d) Coast Guard Mission Program: Marine Safety
Program Performance Goal: Eliminate maritime fatalities and injuries on our Nation's oceans and waterways.
- 3) **Goal**: Build a Nimble, Effective Emergency Response System and Culture of Preparedness
- a) Coast Guard Mission Program: Defense Readiness
Program Performance Goal: Support our national security and military strategies by ensuring assets are at the high level of readiness required by the combatant commander.
 - b) Coast Guard Mission Program: Search and Rescue
Program Performance Goal: Save mariners in imminent danger on our Nation's oceans and waterways.

B.2. Mission Need – The FRC will be a critical Coast Guard response and prosecution asset. It will be a maritime security workhorse, patrolling in both coastal and high seas areas and capable of responding quickly and effectively to emerging security and safety issues. The FRC's improved interoperability, Common Operational Picture functionality and sensors will enhance surveillance, detection, classification, identification, and prosecution performance over capabilities of the legacy 110-foot Patrol Boat. With its high readiness, speed, adaptability and endurance, the FRC will be capable of responding quickly and effectively to emerging security and safety issues and is essential to achieving mission success.

B.3. Project Description – The Coast Guard has a critical need for additional patrol boats to close an existing patrol boat operational hour gap and to replace the aging legacy 110-foot patrol boat fleet. The FRC project plans to deliver the lead cutter by FY2011.

The acquisition strategy for the FRC is consistent with past successful patrol boat acquisitions, the most recent being the 87' Coastal Patrol Boat. It's full and open competition, fixed price, and a best value selection. It uses a proven, in-service design (parent craft), state-of-the-market technology, and combines design and production to reduce the delivery schedule. The acquisition strategy includes the design and construction of a lead cutter, options for 11-15 Low-Rate Initial Production (LRIP) cutters, and additional options for 4 or 6 cutters per fiscal year for a maximum of 24-34 cutters. The contract includes a Reprourement and Data License package option to re-compete to achieve the required FRC fleet size of 58. The decision regarding how many FRC's to acquire under the first contract will be based on the overall performance of the FRC.

Contract award for the design and construction of the lead FRC with options for 33 additional cutters was made on 26 September 2008. This award was protested but GAO upheld the government's award decision on 12 January 2009. The Coast Guard's significant patrol boat gap and mission needs require an aggressive acquisition schedule that executes the LRIP options prior to completing Operational Test and Evaluation (OT&E). However, risk is minimized by using a proven parent craft design and requirements to "class" the new Coast Guard variant. Following the Critical Design Review (CDR), an Acquisition Decision Event 2B will be conducted for approval to exercise the LRIP options. Following the completion of OT&E, an Acquisition Decision Event 3 will be conducted to exercise the production options.

B.4. References

Requirement Parameters	Cost Parameters	Schedule Parameters
CAE FRC-B Top Level Requirements (TLR) Decision Memo (03 Nov 06).	Life Cycle Cost Estimate (31 Oct 08)	Acquisition Plan (18 May 07)
Operational Requirements Document (draft)	Contract Award (26 Sep 08)	Project Management Plan (draft)
	FY09-13 CIP (4 Feb 08)	

Section C. Top level Project Baseline

C.1. Key Performance Parameters

Key Performance Parameter (KPP)	Baseline		Revision #1	
	15 May 2007		Threshold	Objective
	Threshold	Objective		
Flank Speed ⁽¹⁾ (knots)	28 ⁽²⁾	40		
Fuel Endurance ⁽³⁾ (days)	Not Specified		5	7
Patrol Speed (knots)	10	16	Not Specified ⁽³⁾	
Independent Operations ⁽⁴⁾ (days)	5	7		
Detection Range (NM)	10.2		Not Specified ⁽³⁾	
Seakeeping (Sea State) ⁽⁵⁾	4	Through 5		
Interoperability ⁽³⁾	Not Specified		Exchange clear, protected (Type III) and secure (Type I) voice and data with DOD, DHS, CG assets (surface, air, shore), and joint and allied forces. ⁽⁶⁾	
Operational Availability (Ao)	0.80	0.90	.85 ⁽³⁾	

Performance Revision #1

¹ Changed from "Sprint Speed" to "Flank Speed" for consistency with Top Level Requirement terminology.

² FRC-A Flank Speed threshold was 30 kts. This requirement will be taken into consideration during the CG CAE's decision to acquire additional FRC's under the current contract to meet the Coast Guard requirement for 58 total.

³ Updated to reflect the KPP's in the FRC-B Top Level Requirements approved by the CAE on 03 Nov 06.

⁴ Changed from "Operating Range" to "Independent Operations" for consistency with TLR terminology.

⁵ Changed from "Continuous Efficient Operations" to "Seakeeping" for consistency with TLR terminology.

⁶ Exchange with those assets that support Type I and III data and voice communication

Technical Performance Measurement

A series of system engineering and design reviews and developmental testing will be used to monitor technical performance during this acquisition. Successful achievement of technical performance will be determined by the Government through acceptance testing in accordance with contract requirements and then reported in accordance with DHS periodic reporting requirements.

C.2. Key Schedule Parameters

Several parameters are no longer applicable due to the Coast Guard assuming acquisition responsibility for the FRC-B from Integrated Coast Guard Systems (ICGS). New events were added as required by the latest DHS APB Guidance (dated 07 Nov 08).

Major Project Event	Schedule Baseline		Revision #1	
	Threshold	Objective	Threshold	Objective
	15 May 2007			
CG Proven Craft/Parent Craft Review	4QFY06		Deleted ⁽¹⁾	
CG Request for Proposal to ICGS	4QFY06		Deleted ⁽¹⁾	
ICGS Starts Construction	FY07		Deleted ⁽¹⁾	
System Requirements Review (SRR)	Not Specified		3 Nov 2006 ⁽²⁾	
MS2 Decision (alternative selection)	Not Specified		3 Nov 2006 ⁽²⁾	
Contract Award	Not Specified		26 Sep 2008	
Preliminary Design Review (PDR)	Not Specified		1QFY10	3QFY09
Critical Design Review (CDR)	Not Specified		3QFY10	1QFY10
ADE-2B	Not Specified		3QFY10	1QFY10
Production Readiness Review (PRR)	Not Specified		2QFY11	4QFY10
First FRC-B Delivered	FY09/10		1QFY12	3QFY11
Initial Operational Test & Evaluation (IOT&E) Complete	Not Specified		1QFY13	3QFY12
Initial Operational Capability (IOC)	Not Specified		1QFY13	3QFY12 ⁽³⁾
ADE-3 Decision	Not Specified		2QFY13	4QFY12
Last (58 th) FRC Delivered	FY16		4QFY21	2QFY21
Full Operational Capability (FOC)	Not Specified		4QFY22	2QFY22 ⁽⁴⁾

Schedule Revision #1

¹ No longer applicable. On 14 Mar 2007, the Coast Guard assumed acquisition responsibility for the FRC-B from ICGS.

² CAE Decision memo dated 03 Nov 2006.

³ Lead FRC fully operational

⁴ 58th FRC fully operational

Schedule Performance Measurement

The Integrated Master Schedule (IMS) in the contract will be used to monitor schedule performance and will be reported in accordance with DHS periodic reporting requirements.

Section C.3: Key Cost Parameters

Revision #1 updates all cost information to reflect contract costs from the 26 Sep 2008 award to Bollinger Shipyard. The Life-Cycle Cost Estimate (LCCE) was updated to reflect changes in Service Life and acquisition strategy. Operations and Maintenance Costs were added as required by DHS APB Guidance (dated 07 Nov 08).

Project Cost Baseline Estimate in <i>Then Year</i> Dollars					
Current Phase: CD&D					
Cost Categories	Baseline	Revision #1 ⁽¹⁾			
	15 May 2007				
		Increment 1		Increment 2	
		Threshold	Objective	Threshold	Objective
Acquisition	\$3,206M ⁽²⁾	\$3,425M	\$3,171M	\$818M	\$757M
O&M ⁽³⁾	Not Specified	\$9,475M	\$8,773M	\$1,916M	\$1,774M
Life-Cycle Cost Estimate	\$22,256M ⁽⁴⁾	\$12,900M	\$11,944M ⁽⁵⁾	\$2,734M	\$2,531M ⁽⁶⁾
Quantity	58	48		10	
Service Life (years)	15	20 ⁽⁷⁾			

Cost Revision #1

¹ Added Increment 1 (funded/ budgeted) and Increment 2 (additional funding requirement for full capability). Total Acquisition Costs

for both Increments is an Objective of \$3,928M.

² Total of FRC-A (\$2,613M for 46) plus FRC-B (\$593M for 12) from IDS APB v1.1.

³ Added as required by latest DHS guidance (07 Nov 08).

⁴ Total of FRC-A (\$17,193M for 46) plus FRC-B (\$5,063M for 12) from IDS APB v1.1.

^{5,6} Reflects changes in acquisition strategy, service life and use of actual contract costs.

⁷ The Service Life requirement was changed to reflect the requirement in the draft FRC ORD.

Cost Performance Measurements

Due to the Firm Fixed Price contract type used for this acquisition an Earned Value Management System will not be used. Instead, an Integrated Master Schedule will be linked to the Contractor Work Breakdown Structure to show progress. This will enable the PM to identify potential problem areas and make in process corrections.

U.S. Department of
Homeland Security

United States
Coast Guard



Commandant
United States Coast Guard

1900 Half Street, S.W.
Washington, DC 20593-0001
Staff Symbol: CG-924
Phone: (202)475-3150

5000

DEC 11 2008

MEMORANDUM

From: *V. S. Crea*
V. S. Crea, VADM
VCG

Reply to Mr. Pete Boyd
Attn of: (202) 475-3150

To: K. L. King
CG-935

Thru: (1) CG-01
(2) CG-9
(3) CG-93

Subj: ACQUISITION DECISION MEMORANDUM FOR THE WPB AND MEC
SUSTAINMENT PROJECTS

1. The Acquisition Program Baselines (APB) for the WPB and MEC Sustainment Projects, dated 9/12/2008, have been reviewed and approved. The projects are approved to execute to the cost, schedule and performance baselines established in the APB, which now serve as the new documented programs of record for the WPB and MEC Sustainment Projects.

2. You are expected to update the Project Management Plan (PMP) for both projects within six months from the date of this memo in order to align the PMP with the approved APB parameters.

3. If you have any questions about this matter, please contact Mr. Pete Boyd, the CGARC Executive Secretary, at the above number.

#

ACQUISITION PROGRAM BASELINE (APB)**For****MEDIUM ENDURANCE CUTTER (WMEC)****SUSTAINMENT PROJECT**

Submitted by:	<u><i>McVing, GS-15</i></u> Project Manager (CG-935)	<u>9/12/08</u> Date
Validated by:	<u><i>James H. Hitt (acting)</i></u> Chief, Acquisition Support (CG-924)	<u>9/16/08</u> Date
Endorsed by:	<u><i>Mark Cunningham (Acting)</i></u> Director of Acquisition Programs (CG-93)	<u>9/29/08</u> Date
Endorsed by:	<u><i>Michael J. Jangra</i></u> Chief Acquisition Officer (CG-9) for	<u>9/30/08</u> Date
Endorsed by:	<u><i>[Signature]</i></u> Assistant Commandant for Engineering and Logistics (CG-4)	<u>9/30/08</u> Date
Endorsed by:	<u><i>Wayne [Signature]</i></u> Assistant Commandant for Capabilities (CG-7)	<u>10/14/08</u> Date
Endorsed by:	<u><i>Ch. Barron</i></u> Chief of Staff (CG-01)	<u>10/17/08</u> Date
Approved by:	<u><i>L.S. Carr</i></u> USCG Component Acquisition Executive (CG-09)	<u>12/5/08</u> Date



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A: Revision Summary

The Coast Guard Integrated Deepwater System (IDS) Acquisition Program Baseline (APB) was approved by the Department of Homeland Security (DHS) on 15 May 2007. DHS Guidance for the FY10 -14 Resource Allocation Plan (RAP) directed each project have individual asset class APBs. This discrete Medium Endurance Cutter (WMEC) Sustainment APB aligns with the post-9/11 Deepwater Mission Needs Statement (and its supporting performance gap analysis) and the latest update to the Deepwater Implementation plan. The purpose of this WMEC Sustainment Project APB is to provide insight and control to prevent cost growth, schedule slip, and requirements creep due to unnecessary changes or imposition of unapproved operational requirements.

B: Project Overview**B1. Strategic Goals**

The following is a summary of the DHS strategic goals, programs and program performance goals that will be directly supported by the WMEC Sustainment Project.

a. DHS Strategic Goal: Continue to Protect our Nation from Dangerous People

Coast Guard Mission Program: Drug Interdiction

Program Performance Goal: Reduce the flow of illegal drugs entering the U.S. via non-commercial maritime shipping sources.

Coast Guard Mission Program: Migrant Interdiction

Program Performance Goal: Eliminate the flow of undocumented migrants via maritime routes to the U.S.

Coast Guard Mission Program: Other Law Enforcement

Program Performance Goal: Reduce the number of illegal vessel incursions into the U.S. Exclusive Economic Zone.

b. DHS Strategic Goal: Protect Critical Infrastructure

Coast Guard Mission Program: Marine Environmental Protection

Program Performance Goal: Eliminate oil spills and chemical discharge incidents.

Coast Guard Mission Program: Living Marine Resources

Program Performance Goal: Achieve sustained fisheries regulation compliance on our Nation's Oceans.

Coast Guard Mission Program: Ports Waterways and Coastal Security (PWCS)

Program Performance Goal: Reduce homeland security risk in the maritime domain.

Coast Guard Mission Program: Marine Safety

Program Performance Goal: Eliminate maritime fatalities and injuries on our Nation's oceans and waterways.

- c. *DHS STRATEGIC GOAL: Build a Nimble, Effective Emergency Response System and Culture of Preparedness*

Coast Guard Mission Program: Defense Readiness

Program Performance Goal: Support our national security and military strategies by ensuring assets are at the high level of readiness required by the combatant commander.

Coast Guard Mission Program: Search and Rescue

Program Performance Goal: Save mariners in imminent danger on our Nation's oceans and waterways.

B2. Mission Needs

To assist in the prosecution of the Coast Guard's missions described in the previous section, the WMEC Sustainment Project is intended to improve the cutters' operating and cost performance by replacing obsolete, unsupportable, or maintenance-intensive equipment using centrally supported, standard equipment deployed in a standard configuration.

The project provides a major CG Yard availability for the aging 210' and 270' Medium Endurance Cutter fleet that is designed to maintain the cutters' operational service and sustain mission effectiveness until IDS assets become available to assume their operational workload. Each 210' and 270' WMEC provides up to 185 days of mission performance per year. A loss of part of that capability puts achievement of long-term DHS performance goals at risk.

B3. Project Description

The overall objective of the WMEC Sustainment Project is to improve the cutter's operating and cost performance by replacing equipment that has the highest failure rate and highest cost-to-repair with more reliable equipment that is more easily maintained and supported. The WMEC Sustainment Project replaces internal structures as well as major sub-systems, such as the small boat davits, oily water separator, air conditioning and refrigeration plants, and water makers. The main propulsion control and monitoring systems will also be upgraded.

During each cutter's shipyard availability numerous approved sustainment-related engineering changes are completed. Performance specifications establish the scope and technical content of the work items that will be installed after having completed the detailed design development and prototype phases.

The project has two major goals:

- 1) Replacement of obsolete, unsupportable, or maintenance-intensive equipment; and
- 2) Completion of major organizational level maintenance.

The WMEC Sustainment Project is quite different from a traditional acquisition project that is meant to replace an entire asset or capability. Instead, the WMEC Sustainment Project is a cutter improvement project that is carried out through the installation of approved engineering changes

on legacy 210' and 270' WMECs. As such, the WMEC Sustainment Project does not follow 100% of the acquisition guidelines and milestone decisions contained in the Major Systems Acquisition Manual (MSAM). For example, there was no Mission Needs Statement (MNS) or Operational Requirements Document (ORD) developed by the sponsor for this project.

B4. References

Requirement Parameters	Cost Parameters	Schedule Parameters
WMEC Engineering Change Proposals:	WMEC Life Cycle Cost Estimate (original):	MEC MEP Investment Schedule Parameters:
Source document: Enclosure (2), 270 Project Management Plan.	Source Document: Section 8.e, Acquisition Program Baseline (APB) for Integrated Deepwater System	Source Document: Project Management Plan for the 210'/270' WMEC Project Maintenance Effectiveness Project (MEP)
Approved: 2-15-06	Approved by: Department of Homeland Security (DHS) on 15 May 2007 ----- WMEC Life Cycle Cost Estimate (current): CR -1312, 210'/270' Medium Endurance Cutter (WMEC) Sustainment Life Cycle Cost Estimate (LCCE) report dated August 2007, awarded under Contract No. GS-23F-0105K S871-1, conducted by Tecolote Research, Inc., Aug 2007	Approved: 2-15-06

C: Top Level Project Baseline**C1. Project Performance**

As previously discussed, the WMEC Sustainment Project is not an acquisition of new assets, but rather a sustainment and improvement project carried out through the implementation of engineering changes for the legacy 210' and 270' WMEC fleet. As such, the project does not follow 100% of the usual acquisition guidelines. Traditional Key Performance Parameters (KPPs) associated with new vessel construction and acquisition phases are therefore not appropriate for the WMEC Sustainment Project.

C2. Project Schedule**Key Schedule Parameters**

SCHEDULE	BASLINE	REVISION #1	
MAJOR PROJECT EVENT	30 JUNE 2006	THRESHOLD 12 SEPTEMBER 2008	OBJECTIVE 12 SEPTEMBER 2008
WMEC SUSTAINMENT PROJECT INITIATION	04/03		04/03
DELIVERED 1ST PHASE I 270' CUTTER (TAMPA)	02/06		02/06
DELIVERED 1ST PHASE I 210' CUTTER (DEPENDABLE)	03/06		03/06
DELIVER LAST 210' CUTTER	FY12	03/13	09/12
DELIVER LAST PHASE II 270' CUTTER	FY16	03/17	09/16

Schedule Performance Measurement

Successful accomplishment of the 210'/270' WMEC Sustainment Project must proceed in a manner which minimizes the impact to scheduled cutter operations and balances the limited resources of the Coast Guard Yard and Coast Guard Engineering and Logistics Command (ELC). Both Atlantic and Pacific Maintenance and Logistics Commanders are coordinating an availability schedule that achieves this balance. Currently, WMEC inductions are scheduled every two to three months with five WMEC inductions per year. 210' WMEC sustainment is a single-phase, six-month dry-dock availability. 270' WMEC sustainment is either a one or two-phase project; one six-month dry-dock availability followed later by a six-month dock side availability, or a one nine-month dry-dock/dockside availability.

WMEC sustainment is following the Maintenance and Logistics Command Atlantic (MLCA) Availability Planning Process to ensure that all the work items (approved engineering changes) are properly scheduled. The Legacy Sustainment Support Unit (LSSU) and CG Yard actively monitor schedule performance data on individual project orders as well as the overall class-wide 210' and 270' WMEC schedule. The daily and weekly work lists allow the LSSU inspectors to be aware of the specific work planned for each day of the week, to coordinate with the CG Yard as necessary, and to correlate and validate the successful completion of tasks to maintain schedule. Weekly progress meetings are held to evaluate overall performance and schedule. Schedule Performance is additionally evaluated at monthly EVM meetings and quarterly matrix meetings.

C3. Project Cost

A life-cycle cost estimate (LCCE) was prepared by Tecolote Research, Inc. in August 2007, which was well after project startup. The Tecolote LCCE includes acquisition costs on the 27 vessels that are expected to undergo improvements ((14) 210' WMECs and (13) 270' WMECs). This APB utilizes the cost data contained in the Tecolote LCCE report. The 30 June 2006 baseline did not include "Threshold" cost estimates as they were not required to be included at that time.

Key Cost Performance Parameters

Program Cost Estimate in <i>Then Year</i> Dollars (Millions)			
Current Phase: Production & Deployment			
Cost Categories	Baseline	Revision #1	
	30 June 2006	Threshold 12 September 2008	Objective 12 September 2008
Total Acquisition Cost	\$317M ¹	\$320.5M	\$296.8M ²
Life-Cycle Cost Estimate	\$7,157M ¹	\$4,515M	\$4,180.8M ²
Operating and Maintenance (27 hulls)	Not Specified	\$4,194.7M	\$3,884M ²
Quantities	27 ¹		
Useful Life	Up to 15 Years ^{1/3}		

¹ This figure is from the Coast Guard Integrated Deepwater System (IDS) APB that was approved by the Department of Homeland Security (DHS) on 15 May 2007. Original baseline LCCE used a higher inflation rate that magnified the out year life cycle costs. Tecolote LCCE used current OMB inflation guidelines.

² CR-1312, 210'/270' Medium Endurance Cutter (WMEC) Sustainment Life Cycle Cost Estimate (LCCE) report dated August 2007, awarded under Contract No. GS-23F-0105K S871-1; developed by Tecolote Research, Inc.

³ Programmatic objective. The WMEC Sustainment Project is estimated to extend the service life of the 210's and 270's up to 15 years as a result of the engineering changes and system upgrades being performed. The engineering changes included in this sustainment effort were not envisioned to constitute a service life extension project (SLEP) per se, and there are no firm engineering studies to support the up to 15 year estimate. It's an estimate made by experienced CG naval engineers.

Cost Performance Measurements

The WMEC Sustainment Project is in the Production and Deployment (P&D) Phase. It is being performed at the Coast Guard Yard via a time and materials work order effort and is not considered work under development. Thus, a fully certified Earned Value Management System (EVMS) is not required under the DHS EVMS guidelines. Sustainment consists of comprehensive availabilities combining a number of approved engineering changes completed all at one time. Each Engineering Change has an associated cost assigned to the completion of that task. The LSSU serves as the CG Inspector and is the final approving authority for all sustainment work. The Coast Guard Yard utilizes Primavera software to gain Earned Value cost data in an "EVMS Lite" setup. The LSSU actively monitors the cost performance data on individual Yard project orders as well as the overall class-wide 210' and 270' WMEC cost data. The Cost Performance Report (CPR), Format 1, reports the period and cumulative EVM by WBS, as well as EVM metrics such as Cost Performance Index and Estimate to Complete. Format 3 tracks the Performance Measurement Baseline. Format 5 highlights variances from the planned values and provides analyses and corrective actions to be taken. Comments contained in Format 5 address any cost or schedule variances that are greater than or equal to 8% of the budget at completion of sustainment. The LSSU conducts a Weekly Progress meeting to review schedule and cost data.

AUG 07 2009

Homeland
Security

ACQUISITION DECISION MEMORANDUM

MEMORANDUM FOR: Vivien S. Crea VADM
Vice Commandant USCG

FROM: Elaine C. Duke *EC Duke*
Under Secretary for Management

SUBJECT: H-60 Conversion Acquisition
Program Baseline (Version 1.0)

REF: DHS Acquisition Program Baseline (APB) Guidance

The attached Acquisition Program Baseline (Version 1.0) for the H-60 Conversion Program has been reviewed and approved. The APB serves as the documented program of record for the H-60 Conversion, and the program is approved to execute in accordance with the cost schedule and performance baselines established in the APB.

In parallel with H-60 Conversion execution, the following actions are to be completed:

Submit to Jim Manzo, Director, Cost Analysis Division (CAD) in the Office of the Chief Procurement Officer (OCPO):

- Coordinate with the OCPO CAD to update the H-60 Life Cycle Cost Estimate (LCCE) in order to ensure consistency and conformance with the requirements of Department of Homeland Security (DHS) Directive 102-01. The updated LCCE and supporting documentation should be provided to CAD for review at least 30 days before the next Acquisition Decision Event (ADE) or within six months of the date of this memorandum.

Submit to John Higbee, Director, Acquisition Program Management Division (APMD):

- Coordinate with APMD to update the H-60 Integrated Logistic Support Plan (ILSP) in order to ensure consistency and conformance with the requirements of DHS Directive 102-01. The updated ILSP should be provided to APMD for review at least 30 days before the next Acquisition Decision Event (ADE) or within six months of the date of this memorandum.

If you have any questions, please contact Page Glennie at (202) 447-5492.

Attachment

cc:

Deputy Secretary

Assistant Secretary for Policy

DHS Chief Financial Officer

DHS Chief Procurement Officer

DHS Chief Information Officer

DHS S&T

U.S. Department of
Homeland Security

United States
Coast Guard




Commandant
United States Coast Guard

2100 Second Street, S.W.
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MEMORANDUM

5000

DEC 11 2008

From: 
V. S. CREA, VADM
Vice Commandant

Reply to: CG-924
Attn of: P. Boyd

To: E. C. DUKE
DHS, Under Secretary for Management

Thru: J. HIGBEE
DHS, Acquisition Program Management Division

Subj: H-60 CONVERSION PROJECT ACQUISITION PROGRAM BASELINE (APB)
REVISION




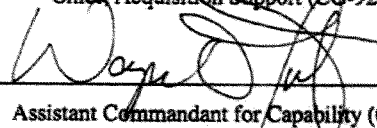
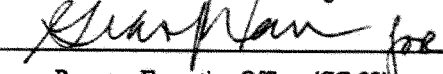
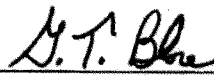


Ref: (a) DHS Acquisition Program Baseline Guidance, 31 March 2008

1. In accordance with reference (a), I am submitting the revised H-60 Project APB for your review and approval.

#

Enclosure: (1) H-60 APB

**Acquisition Program Baseline
For
H-60 CONVERSION PROJECTS**

Submitted by:		<u>7 Oct 08</u>
	H-60 Conversion Projects Project Manager (CG-9314)	Date
Endorsed by:		<u>7 Oct 2008</u>
	Acquisition Program Manager Aviation (CG-931)	Date
Validated by:		<u>8 Oct 2008</u>
	Chief Acquisition Support (CG-924)	Date
Endorsed by:		<u>14 Oct 2008</u>
	Assistant Commandant for Capability (CG-7)	Date
Endorsed by:		<u>15 Oct 2008</u>
	Program Executive Officer (CG-93)	Date
Endorsed by:		<u>16 Oct 08</u>
	Assistant Commandant for Acquisitions (CG-9)	Date
Endorsed by:		<u>17 Oct 08</u>
	Chief of Staff (CG-01)	Date
Endorsed by:		<u>4 Dec 08</u>
	USCG Agency Acquisition Executive	Date
Acquisition Decision Memo Approval Received:		<u>AUG - 7 2009</u>
		Date

Revision Summary:

Version	Change	Effective Date
Baseline	Integrated Deepwater System (IDS) APB Version 1.1 approved by the Coast Guard Agency Acquisition Executive 07 Nov 2006 and Approved by Department of Homeland Security (DHS) Investment Review Board (IRB) on 15 May 2007. This APB considers the date approved by the Coast Guard's Acquisition Executive as the baseline date.	07 November 2006
Version 1.0	Department guidance for preparation of the FY10-14 Resource Allocation Plan (RAP) directed preparation of discrete Acquisition Program Baselines (APB) for each major acquisition project. This H-60 Conversion Projects APB has been extracted from the Integrated Deepwater System (IDS) APB Version 1.1 Approved by Department of Homeland Security (DHS) IRB on 15 May 2007.	5 September 2008

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ACQUISITION PROGRAM BASELINE
for the
H-60 Conversion Projects

SECTION A: REVISION SUMMARY – VERSION 1.0

The Coast Guard IDS APB was approved by the DHS Investment Review Board (IRB) on 15 May 2007. Subsequent updates were provided via the IDS Expenditure Report on 10 June 2008. DHS Guidance for the FY10 through FY14 RAP directed individual APBs be established for each project. This discrete H-60 Conversion Projects APB:

- Aligns with the post-9/11 Deepwater Mission Needs Statement (MNS), (and its supporting performance gap analysis) and the latest update to the Deepwater Implementation plan
- Extracts H-60 Conversion Projects performance measures from the IDS APB and Expenditure Report
- Reflects revised schedule projections for H-60 Conversion Projects
- Incorporates sponsor-driven Key Performance Parameters (KPPs) to accurately reflect current program timelines and objectives

Since the H-60 Conversion Projects baseline was published in the IDS APB and IDS Expenditure Report, changes have been made to schedule events for H-60 Conversion Projects Discrete Segments. The purpose of the H-60 Conversion Projects APB is to update the H-60 Conversion Projects schedule and performance information contained within the IDS APB and IDS Expenditure Report, and provides a separate means of managing the H-60 Conversion Projects.

The following changes are incorporated into this submission:

- **Investment Performance Parameters:** Original KPPs were based on Center for Naval Analysis Independent Deepwater Asset Assessment Tool (CIAAT) Baseline Asset Characteristics used to develop System Task Sequence (SDCIP). The KPPs in this update express the contents of the draft updates to the HH-60 Avionics Upgrade, FLIR Sensor System and Radar Sensor Systems Operational Requirements Documents (ORD) and will be used as the H-60 Conversion Projects investment performances measures.
- **Cost Performance Parameters:** The IDS APB Life-Cycle Cost Estimate (LCCE) was based on the entire H-60 aircraft platform, not on the upgrades noted in this APB. In June 2008 Tecolote prepared an update to the independent cost estimate for the H-60 Conversion Projects. The LCCE and Acquisition Cost from this update were incorporated into the IDS Expenditure Report submitted on 10 June 2008. The independent cost estimate did not include the cost incurred to date and was based on a FY48 support date. The independent cost estimate was adjusted to include cost incurred to date and a FY27 support date. Therefore, the

change to the LCCE has been updated to only reflect the upgrades being performed under the H-60 Conversion Projects with a support date of FY27. The LCCE for the H-60 Conversion Projects is now \$835.321M in Fiscal Year 2002 constant dollars. There are no other revisions to the 30 June 2006 Baseline.

- **Schedule Performance Parameters:** Delays attributed to FY04 funding realignments for the HH-65 Re-Engining effort have caused a three-year slip in attaining Full Operational Capability for the Avionics Upgrade project. Delays have also been seen in the Multi Sensor System (MSS) project. The HH-60 MSS was planned as a FY06 start through IDS to be completed by Integrated Coast Guard Systems (ICGS). However, as a result of the Coast Guard taking over the system integrator role from ICGS in late FY07, the project is being restructured and rephased to support the Blueprint for Acquisition Reform. The Coast Guard is now pursuing an MSS selection comprising Forward Looking Infrared (FLIR) and Radar Sensor System (RSS) Discrete Segments. This acquisition will be utilizing the Aircraft Repair and Supply Center (AR&SC), Engineering Services Division (ESD), as the Technical Lead for the MSS project Discrete Segments. The FLIR Sensor System (FSS) selection is complete and is utilizing the Development Test (DT) results attained by the HH-65C FSS project in order to accelerate the acquisition and subsequent installation of this sensor. The RSS acquisition process commenced in FY07 and is scheduled to produce a permanent rotary wing RSS fleet solution by FY18. Upon successful completion of testing, the chosen RSS will then begin installation into the MH-60Ts as they are upgraded during existing Programmed Depot Maintenance (PDM). Platform Useful Life has also encountered a change from the IDS APB and the IDS Expenditure Report. The Project Sponsor has identified FY27 as the final support date for the aircraft platform, at which time the aircraft will have been in service for over 40 years.

SECTION B: PROJECT OVERVIEW

Section B.1: DHS Strategic Goals

The following is a summary of the DHS strategic goals, programs and program performance goals that will be directly supported by the H-60 Conversion Projects:

DHS Strategic Goal: Continue to Protect our Nation from Dangerous People

- **CG Program: Drug Interdiction**
CG Program Performance Goal: Reduce the flow of illegal drugs entering the U.S. via non-commercial maritime shipping sources.
- **CG Program: Migrant Interdiction**
CG Program Performance Goal: Reduce the flow of undocumented migrants via maritime routes to the U.S.
- **CG Program: Other Law Enforcement**

CG Program Performance Goal: Reduce the number of illegal vessel incursions into the U.S. Exclusive Economic Zone.

DHS Strategic Goal: Protect Critical Infrastructure

- CG Program: Marine Environmental Protection
CG Program Performance Goal: Reduce oil spills and chemical discharge incidents.
- CG Program: Living Marine Resources
CG Program Performance Goal: Achieve sustained fisheries regulation compliance on our Nation's Oceans.
- CG Program: Ports Waterways and Coastal Security (PWCS)
CG Program Performance Goal: Reduce homeland security risk in the maritime domain.
- CG Program: Marine Safety
CG Program Performance Goal: Reduce maritime fatalities and injuries on our Nation's oceans and waterways.

DHS Strategic Goal: Build a Nimble, Effective Emergency Response System and Culture of Preparedness

- CG Program: Defense Readiness
CG Program Performance Goal: Support our national security and military strategies by ensuring assets are at the high level of readiness required by the combatant commander.
- CG Program: Search and Rescue
CG Program Performance Goal: Save mariners in imminent danger on our Nation's oceans and waterways.

Section B.2: Mission Need

Simply meeting legacy Deepwater Mission performance, based on a 1998 demand, has been revisited as part of the IDS Mission Need Statement Update and deemed insufficient to meet current and future threats and performance expectations. The block obsolescence predicted many years ago is accelerating rapidly. The actual degradation in the material condition of legacy aviation assets far exceeds the original forecast as evidenced by the H-60J Avionics block obsolescence, structural failures and electrical issues. In turn, decreasing material condition further exacerbates the gap in legacy asset performance. The current proposed force structure falls far short of providing the operational capacity and capability to meet Government Performance and Results Act targets, and is not responsive to the post-9/11 mission demands, emerging threats and future challenges.

Section B.3: Project Description

The Sikorsky MH-60T helicopter will have improved interoperability, Command and Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR), Common Operating Picture (COP) and sensors that enhance surveillance, detection, classification, identification and prosecution. The aircraft will operate worldwide within the range of its performance parameters in civilian and military airspace in support of ten Congressionally-mandated missions.

The H-60 Conversion Projects will be executed under 4 Discrete Segments. All 4 segments will be installed in all 42 H-60s at Coast Guard Aircraft Repair and Supply Center.

- Segment 1 upgrades the avionics with the DOD Common Avionics Architecture System (CAAS) Cockpit.
- Segment 2 provides for an enhanced Electro-Optic Infrared Sensor System.
- Segment 3 replaces the existing weather radar with a Surface Search Radar providing an order of magnitude improvement in detection and classification capabilities.
- Segment 4 will improve the aircraft's C4ISR capabilities and will recapitalize several major aircraft components. The detail requirements for Segment 4 have not been finalized.

Additional details on each segment are included in sections D through G.

Section B.4: References

This section identifies the relevant source documents used to establish the H-60 Conversion Project baseline in the APB.

Requirement Parameters	Cost Parameters	Schedule Parameters
IDS MNS, Rev 1.0, 19 May 2004	Wyle Laboratories H-60 Conversion Projects LCCE, August 2008	IDS APB, Ver 1.1, 07 Nov 2006
DRAFT (not approved by Chief of Staff) ORD for the HH-60J Avionics Upgrade, Ver 1.4, 17 Nov 2003		
DRAFT (not approved by Chief of Staff) ORD for the Rotary Wing Multi-Sensor System, Ver 1, 18 Dec 2003		

SECTION C: TOP LEVEL PROJECT BASELINE

Section C.1: Project Performance

The H-60 Conversion Projects APB investment performance parameters align with the post-9/11 Deepwater MNS.

The IDS APB KPPs were based on CIAAT Baseline Asset Characteristics used to develop Sequence Surveillance, Detection, Classification, Identification and Prosecution (SDCIP) System Tasks. The KPPs in this update reflect the contents in the H-60 Avionics Upgrade and MSS ORD and will be used as the H-60 Conversion Projects investment performances measures.

This APB will be updated as the Operational Requirements Documents for each H-60 Conversion Projects Segment are approved.

Technical Performance Measurement

Design Reviews are being used to monitor technical performance and are reported in accordance with DHS periodic reporting requirements based on the results of preliminary and critical design reviews.

Summary of significant Key Performance Parameters (for reference only). Detailed H-60 Conversion Projects performance thresholds and objectives are addressed in Sections D through G.

Key Performance Parameter	Threshold	Objective
Segment 1 – Avionics Upgrade		
- Flight Management System (FMS)	Pilot and Copilot displays Night Vision Compatible. Display FMS, Navigation, engine information and TCAS	All aircrew positions: TCAS II, auto search patterns
- Terrain Avoidance	Low Probability of Intercept Radar Altimeter	Assisted Approach and landing System
- Communications	ICS, HF, VHF and UHF, and MILSATCOM radios	VHF Datalink capable, Multiple HF channels, UHF data and imagery transmission, VHF and UHF detection and tracking

Key Performance Parameter	Threshold	Objective
Segment 2 – EO/IR		
- Flight Management System	Independent output to cockpit displays	Independent Output to all displays
- Flight Management System	GPS/INS Integration	Search Light, radar and tactical data link integration
- Flight Management System	Auto-tracking	Auto target recognition
Segment 3 – Search Radar		
- Interface	Radar shall be interfaced with CAAS cockpit	Not applicable
- Mean Time Between Failure	800 hours	1200 hours
- Target-tracking	1 target of interest	5 targets of interest
Segment 4 – C4ISR and Component Recapitalization		
- Flight Management System	Tactical Data transmission and receive	Record/playback, correlate sensor inputs with internal and external data
- Flight Management System	Surface/Air Contact Tracking Search: integrated surface search/weather radar	Tracking data: Direct exchange with Coast Guard/DHS/DOD nodes; automated aircraft flight following. Surface/Air Contact tracking search: Air intercept, Ground mapping and auto-detection
- Navigation	Terrain Avoidance: Helicopter Terrain Awareness and Warning	

Key Performance Parameter	Threshold	Objective
	System (TAWS)	
- Communications	High Frequency (HF): Internet Protocol communications; tactical data link Military Satellite (MILSAT): tactical Data Link; Internet Protocol data exchange	

Section C.2: Project Schedule

The H-60 Conversion Projects APB key schedule parameters reflect revised schedule projections for H-60 Conversion Projects. The H-60 Conversion Projects Integrated Master Schedule (IMS) reflects the major events for each segment. For each segment, the H-60 Conversion Projects IMS addresses the required Milestone Decisions, development of required documentation as well as required technical and design reviews.

FY04 funding realignments for the HH-65 Re-Engining effort resulted in a three-year slip in attaining Full Operational Capability for the Avionics Upgrade project.

Delays have also been seen in the MSS project. The H-60 MSS was planned as an FY06 start through IDS to be completed by ICGS. However, as a result of the Coast Guard taking over the system integrator role from ICGS in late FY07, the project did not begin until FY08. The Coast Guard is now pursuing an MSS selection comprising FLIR and Radar Sensor System Discrete Segments.

The Search Radar or Radar Sensor System Segment (project) described in the IDS APB included the EO/IR requirement. The EO/IR requirement is now labeled Discrete Segment 2 and the Search Radar is now labeled Discrete Segment 3.

The Service Life Extension Project (SLEP) and Engine Sustainment Discrete Segments do not add additional capability to the aircraft platform and are only required to extend the useful life until 2027. They are only highlighted in the APB since they are included in the TAC of the MRR.

The MNS segment (project) described in the IDS APB has been renamed the C4ISR and Component Recapitalization segment. The C4ISR and Component Recapitalization is another Discrete Segment of capability which was impacted by the shift in System Integrator.

Schedule Performance Measurement

The project's baseline schedule has been identified by the Project Manager. The project schedule will be monitored and evaluated for baseline compliance by reviewing weekly and monthly status reporting requirements.

The Project Manager will schedule weekly internal meetings to discuss the progress and issues related to the H-60 Conversion Projects. A core team of Government and H-60 Conversion Projects direct support contractors will meet and discuss current progress, issues, review risks, and plan mitigation actions as necessary as a result of the meetings findings. The Project Manager will chair the weekly status meetings and assign action items as required.

The following is a summary schedule that reflects the beginning and end of each H-60 Conversion Projects segment. Sections D through G contain the H-60 Conversion Projects detailed thresholds and objectives schedules.

Summary Schedule

Schedule	Threshold	Objective
Segment 1 Start	2QFY05	2QFY05
Segment 1 End (FOC)	1QFY15	4QFY14
Segment 2 (FSS) Contract Award	4QFY08	3QFY08
Segment 2 End (FOC)	2QFY15	2QFY15
Segment 3 Start	2QFY10	1QFY10
Segment 3 End (FOC)	2QFY18	1QFY18
Segment 4 Start	2QFY13	1QFY13
Segment 4 End (FOC)	4QFY20	3QFY20

Section C.3 Project Cost

The H-60 Conversion Projects APB cost parameters reflect current cost projections. The IDS APB Life-Cycle Cost Estimate (LCCE) was based on the entire H-60 aircraft platform, not on the upgrades noted in this APB. In June 2008 an update to the independent cost estimate was prepared for the H-60 Conversion Projects. The LCCE and Acquisition Cost from this update were incorporated into the IDS Expenditure Report submitted on 10 June 2008. The independent cost estimate did not include the cost incurred to date and was based on a FY48 support date. The independent cost estimate was adjusted to include cost incurred to date and a FY27 support date. Therefore, the change to the LCCE has been updated to only reflect the upgrades being performed under the H-60 Conversion Projects with a support date of FY27. The LCCE for the H-60 Conversion Projects is now \$835.321M. These cost estimates are consistent with the Capital Investment Plan (CIP).

The Cost Performance Parameters listed below reflect the total cost of all H-60 Conversions Projects. While the costs of the Engine Sustainment (\$23.2M) and SLEP (\$17M) are addressed in the Cost Performance Parameters listed below, they are not included under any segment described in sections D through G.

Cost Performance Parameters

Cost (Then Year \$)	Baseline	Revision #1	
		Threshold	Objective
Current Phase: Various	7 November 2006	5 September 2008	
Total Acquisition Cost	\$451.3M	\$487.044M	\$450.967M
Avionics Upgrade	Not Specified	\$195.612M	\$181.122M
FLIR Sensor System	Not Specified	\$36.658M	\$33.943M
Radar Sensor System	Not Specified	\$65.462M	\$60.613M
C4ISR and Component Recapitalization	Not Specified	\$145.800M	\$135.000M
Engine Sustainment	Not Specified	\$18.450M	\$17.083M
SLEP	Not Specified	\$25.062M	\$23.206M
Operations and Maintenance	Not Specified	\$415.102M	\$384.354M
Quantities	42	42	42
Life-Cycle Cost Estimate	\$26,075M	\$902.146M	\$835.321M
Useful Life	30 Years	20 Years	20 Years

Cost Performance Measurements

The Project Manager is the central coordinating point for project resource management including budget forecasts, spend plans, planned schedule of procurements, project financial documents, and personnel requirements. The Project Manager maintains the H-60 Conversion Projects financial plan, spend plan, planned schedule of procurements, obligation plan, and project budget documentation.

The following reports and documents will be used to effectively monitor cost performance measurements.

Report Requirement	Frequency	Responsibility	Submit To
Status Report	Weekly	AR&SC	CG-9314
Financial Status Report	Monthly	AR&SC	CG-9314
Risk Report	Monthly	Matrix / RMT	CG-9314
Quarter Project Report Input	Monthly	AR&SC	CG-9314

The project's baseline costs have been identified by the Project Manager. Project cost will be monitored and evaluated for baseline compliance by reviewing the monthly financial status report and the quarterly spend plan update as outlined in the H-60 Conversion Projects PMP.

SECTION D: DISCRETE SEGMENT 1

The Avionics Upgrade segment replaces the existing H-60 avionics suite with the DoD Common Avionics Architecture System, or CAAS. The upgrade includes the addition of 5 Multi-Function Displays, digital weather radar (Primus), a Collision Avoidance System and Radar Altimeter. This segment is in the CD&D Phase and currently in a Low Rate Initial Production mode.

The details regarding the changes to this segment can be found in Section A, while the management philosophy for Performance, Schedule and Cost can be found in Section C.

Section D.1: Discrete Segment 1 Performance

Avionics Upgrade

Performance	Baseline		Revision #1	
Key Parameter	Threshold	Objective	Threshold	Objective
Phase: CD&D	7 November 2006		5 September 2008	
Environmental	Not Specified		Air Temperature (min / max °C) -40°/60°; Relative Humidity (min/max) - 10%/100%; Icing – Light; Precipitation - Heavy Rain, Snow, Hail, Freezing Rain; Turbulence - Moderate	Icing – Moderate

Performance	Baseline		Revision #1	
Key Parameter	Threshold	Objective	Threshold	Objective
Phase: CD&D	7 November 2006		5 September 2008	
Flight Management System	Not Specified		<p>User Displays: Pilot & Copilot positions; Direct sunlight / NVIS compatible; FMS, Navigation, engine information and Traffic Alert & Collision Avoidance System TCAS: visual display for pilot and copilot; aural warnings for pilot, copilot, and aircrew; Area Navigation</p> <p>Integration: Integrated with automatic flight control system / redundancy; Precision approach assist; 3-axis: heading, attitude and yaw references</p> <p>Mission Planning and Execution: Portable Flight Planning System compatible.</p> <p>Engine Monitoring / System Warning: Continuous display</p> <p>User Controls: Independent / redundant controls (pilot & copilot)</p> <p>Automatic Flight Control: Digital / 4-axis; Autopilot / Auto stabilization</p>	<p>User Displays: All aircrew positions; Tactical / Surveillance information TCASII (Resolution Advisory); Auto search patterns</p> <p>Integration: Air data, Attitude and Heading references)</p> <p>Mission Planning and Execution: Integrated mission data loading.</p> <p>Engine Monitoring / System Warning: Electronic Flight Bag / checklist integration</p> <p>User Controls: Independent / redundant controls (all aircrew)</p> <p>Automatic Flight Control: Auto hover transition</p>

Performance	Baseline		Revision #1	
Key Parameter	Threshold	Objective	Threshold	Objective
Phase: CD&D	7 November 2006		5 September 2008	
Navigation	Not Specified		Redundancy: One independent back-up system; Output to FMS for coupled hover Terrain Avoidance: Low Probability of Intercept Radar Altimeter system Assisted Approach and Landing: Instrument Landing System / Marker Beacon / Glide Slope; TACAN / DME; Integrated GPS w / Fault Detection as per CNS ATM standard for non precision approaches Traffic Avoidance: Self contained Area Navigation Transponder: Mode 1, 2, 3 /A, C, 4 and 5; Embedded crypto	Redundancy: Multiple independent back-up systems; Multiple outputs to FMS Assisted Approach and Landing: Integrated GPS w / Fault Detection as per CNS ATM standard for non precision approaches that encompasses Wide Area Augmentation System / Local Area Augmentation System Traffic Avoidance: Auto search patterns

Performance	Baseline		Revision #1	
Key Parameter	Threshold	Objective	Threshold	Objective
Phase: CD&D	7 November 2006		5 September 2008	
Communications	Not Specified		<p>Intercommunication Control System (ICS): Dual channel / redundant; Voice actuation (VOX); All crew positions</p> <p>High Frequency (HF): 5 kHz bandwidth; Clear / protected / secure voice; Automatic Link Establishment</p> <p>Very High Frequency (VHF): VHF-AM: 8.33 kHz channel separation w/ FM immunity; Automated guard receiver; VHF-FM: Wideband Marine / Narrowband (12.5Khz) compliant; APCO 25 digital / analog; DES / AES encryption</p> <p>Ultra High Frequency (UHF): UHF-AM: AM / FM / Phase Shift Keying; Automated guard receiver; Type 1 encryption</p> <p>Military Satellite (MILSAT): 5Khz (narrow) / 25Khz (wide) circuits; Demand Assigned Multiple Access / Integrated Waveform</p> <p>Direction Finding: 406 MHz / 121.5 MHz / 243.0 MHz detection and tracking</p>	<p>Intercommunication Control System (ICS): Private channels; Passenger / Distinguished Visitor (DV) positions</p> <p>High Frequency (HF): Multiple channels / Wideband; Clear / protected / secure voice + data</p> <p>Very High Frequency (VHF): VHF Data Link; 6.25 kHz channel capability</p> <p>Ultra High Frequency (UHF): Data and imagery transmissions; Type 1 + Type 3 encryption</p> <p>Direction Finding: VHF / UHF detection and tracking</p>

Performance	Baseline		Revision #1	
Key Parameter	Threshold	Objective	Threshold	Objective
Phase: CD&D	7 November 2006		5 September 2008	
High Altitude Patrol Speed (1) (Knots)	130		Removed	
Low Altitude Patrol Speed (1) (Knots)	130		Removed	
Detection Range (1, 2, 3) (NM)	7.7		Removed	
Interoperability	Integration of mission system shall provide a user interface in accordance with the Common Operating Environment User Interface specification		Removed	
Operational Availability (A0)	Enhancement & sustainment projects will not degrade existing overall aircraft system availability (0.71)	0.85	Removed	

Performance Revision #1.

Note: Patrol speeds removed as they are not relevant to this segment. Detection range removed as it is a sensor requirement and is addressed in the sensor segments. Operational availability removed as it is a planning factor and not a sponsor requirement.

Section D.2: Discrete Segment 1 Schedule

Schedule	Baseline	Revision #1	
		Threshold	Objective
Phase: CD&D	7 November 2006	5 September 2008	
Design Start	03/05	No Change	No Change
Design End	10/06	No Change	No Change
OT&E Start	4QFY07	3QFY08	2QFY08
OT&E End	3QFY08	4QFY09	3QFY09
Low Rate Initial Production Start	Not Specified	3QFY08	2QFY08
Milestone 3 Decision	Not Specified	1QFY10	4QFY09
IOC	4QFY08	1QFY10	4QFY09
FOC	FY12	1QFY15	4QFY14

Schedule Revision #1.

Note: Delays attributed to FY04 funding realignment for the HH-65 Re-Engining effort.

Section D.3: Discrete Segment 1 Cost

Cost (Then Year 5)	Baseline	Revision #1	
		Threshold	Objective
Phase: CD&D	7 November 2006	5 September 2008	
Total Acquisition Cost	Not specified	\$195.612M	\$181.122M
O&S Costs	Not specified	\$85.352M	\$79.030M
LCCE	Not specified	\$280.964M	\$260.152M
Quantities	Not specified	42	42
Useful Life	Not specified	20 Years	20 Years

SECTION E: DISCRETE SEGMENT 2

Discrete segment 2 includes the Electro-Optic/Infrared and sub-assemblies. The EO/IR

contract has been awarded to FLIR Systems Inc. The selected Line Replaceable Unit/Lowest Replaceable Unit (LRU) has completed DT on an H-65 aircraft and has proven to be the most advanced system in the world for its size. DT for EO/IR integration on an H-60 will begin in 1QFY09. Two possible mounting locations on the H-60 are being considered; the nose and the right sponson. The HIDS installation helps meet legal recording requirements not addressed by the existing voice and data recording systems.

The details regarding the changes to this segment can be found in Section A, while the management philosophy for Performance, Schedule and Cost can be found in Section C.

Section E.1: Discrete Segment 2 Performance

FLIR Sensor System

Performance	Baseline	Revision #1	
Key Parameter		Threshold	Objective
Phase: CD&D	7 November 2006	28 February 2008	
Flight Management System	Not Specified	Independent output to cockpit displays	Independent output to all displays
Flight Management System	Not Specified	Integrated with GPS / INS	Integrated with RADAR / Searchlight / Tactical Data Link
Flight Management System	Not Specified	Auto-tracking	Auto Target Recognition
Navigation	Not Specified	Imagery / Geoposition information	Audio system interface

Section E.2: Discrete Segment 2 Schedule

Schedule	Baseline	Revision #1	
		Threshold	Objective
Phase: CD&D	7 November 2006	3 September 2008	
Contract Award	Not Specified	4QFY08	3QFY08

Schedule	Baseline	Revision #1	
		Threshold	Objective
Phase: CD&D	7 November 2006	5 September 2008	
Critical Design Review (CDR)	Not Specified	1QFY09	4QFY08
Test Readiness Review (TRR)	Not Specified	1QFY09	4QFY08
DT&E Start	Not Specified	1QFY09	4QFY08
DT&E End	Not Specified	2QFY09	1QFY09
Production Readiness Review (PRR)	Not Specified	3QFY09	2QFY09
OT&E Start	1QFY08	3QFY09	2QFY09
OT&E End	2QFY08	4QFY09	3QFY09
Milestone 3 Decision	Not Specified	1QFY10	4QFY09
IOC	4QFY07	1QFY10	4QFY09
FOC	FY12	2QFY15	1QFY15
Design Start	4QFY06	Removed	Removed
Design End	2QFY07	Removed	Removed

Schedule Revision #1.

Note: Delays attributed to the Coast Guard becoming the System Integrator.

Section E.3: Discrete Segment 2 Cost

Cost (Then Year \$)	Baseline	Revision #1	
		Threshold	Objective
Phase: CD&D	7 November 2006	5 September 2008	
Total Acquisition Cost	Not Specified	\$36.658M	\$33.943M
O&S Costs	Not Specified	\$39.501M	\$36.575M
LCCE	Not Specified	\$76.159M	\$70.518M
Quantities	Not Specified	42	42
Useful Life	Not Specified	20 Years	20 Years

SECTION F: DISCRETE SEGMENT 3

Discrete segment 3 adds a new multi-mode radar, dramatically improving the aircraft's capabilities and effectiveness. The specification for a solicitation to purchase a prototype system is being finalized.

The details regarding the changes to this segment can be found in Section A, while the management philosophy for Performance, Schedule and Cost can be found in Section C.

Section F.1: Discrete Segment 3 Performance

Radar Sensor System

Performance	Baseline	Revision #1	
		Threshold	Objective
Key Parameter			
Phase: CT&D	7 November 2006	5 September 2008	
Shall interface with the CAAS cockpit, be able to display info on the MFD.	Not Specified	X	
Mean Time Between Failure	Not Specified	800 hours	1200 Hours
Target-tracking capabilities	Not Specified	1 Target of Interest	5 Targets of Interest

Performance	Baseline	Revision #1	
Key Parameter		Threshold	Objective
Phase: CT&D	7 November 2006	5 September 2008	
200ft vessel minimum detection range/altitude AWL.	Not Specified	1000 Square Meters	
400ft vessel minimum detection range/altitude AWL.	Not Specified	8000 Square Meters	

Section F.2: Discrete Segment 3 Schedule

Schedule	Baseline	Revision #1	
		Threshold	Objective
Phase: CT&D	7 November 2006	5 September 2008	
System Requirements Review (SRR)	Not Specified	2QFY10	1QFY10
Milestone 2 Decision	Not Specified	4QFY10	3QFY10
System Functional Review (SFR)	Not Specified	4QFY10	3QFY10
Contract Award	Not Specified	1QFY11	4QFY10
Preliminary Design Review (PDR)	Not Specified	1QFY11	4QFY10
Critical Design Review (CDR)	Not Specified	1QFY11	4QFY10
Test Readiness Review (TRR)	Not Specified	2QFY11	1QFY11
DT&E Start (Federated)	Not Specified	2QFY11	1QFY11
DT&E End (Federated)	Not Specified	2QFY12	1QFY12
Production Readiness Review (PRR)	Not Specified	2QFY12	1QFY12

Schedule	Baseline	Revision #1	
		Threshold	Objective
Phase: CT&D	7 November 2006	5 September 2008	
Milestone 3 Decision	Not Specified	4QFY12	3QFY12
OT&E Start (Integrated)	1QFY08	3QFY13	2QFY13
OT&E End (Integrated)	2QFY08	4QFY13	3QFY13
IOC	4QFY07	3QFY14	2QFY14
FOC	FY12	2QFY18	1QFY18
Design Start	4QFY06	Removed	Removed
Design End	2QFY07	Removed	Removed

Schedule Revision #1.

Note: Delays attributed to the Coast Guard becoming the System Integrator.

Section F.3: Discrete Segment 3 Cost

Cost (Then Year \$)	Baseline	Revision #1	
		Threshold	Objective
Phase: C&TD	7 November 2006	5 September 2008	
Total Acquisition Cost	Not specified	\$65.462M	\$60.613M
O&S Costs	Not specified	\$49.620M	\$45.944M
LCCE	Not specified	\$115.082M	\$106.557M
Quantities	Not specified	42	42
Useful Life	Not specified	20 Years	20 Years

SECTION G: DISCRETE SEGMENT 4

Discrete segment 4 will address Common Operating Picture (COP) and sensor requirements not achieved by previous upgrade segments. This segment will also address emerging obsolescence issues. At this time requirements for this segment are in the development stage. Additionally, an engineering analysis will be conducted to identify recapitalization candidates. Further performance and schedule details for this segment

Performance	Baseline	Revision #1	
Key Parameter		Threshold	Objective
Phase: PI	7 November 2006	5 September 2008	
Navigation	Not Specified	Terrain Avoidance: Helicopter Terrain Awareness and Warning System Radar Data Overlay: Ability to display moving maps and overlay radar data onto tactical display.	
Communications	Not Specified	High Frequency (HF) : Internet Protocol communications; Tactical Data Link Military Satellite (MILSAT): Tactical Data Link; Internet Protocol data exchange	
Improved Dynamic Components	Not Specified	Availability: 71% A ₀ with 17,659 labor hours/airframe year Operational Cost: Total operational cost reduced by 5%	Total operational cost reduced by 7%

Performance Revision #1.

Note: Original KPP were based on CIAAT Baseline Asset Characteristics used to develop SDCIP, not on the KPPs outlined in the Avionics Upgrade and MSS ORD. KPPs accurately reflect the contents of the Avionics Upgrade and MSS ORDs.

Section G.2: Discrete Segment 4 Schedule

Schedule	Baseline	Revision #1	
		Threshold	Objective
Phase: PI	7 November 2006	5 September 2008	
Start	Not specified	2QFY13	1QFY13
End	Not specified	4QFY20	3QFY20

Detailed segment 4 schedule to-be-developed following ORD approval.

Section G.3: Discrete Segment 4 Cost

Cost (Then Year \$)	Baseline	Revision #1	
		Threshold	Objective
Phase: PI	7 November 2006	5 September 2008	
Total Acquisition Cost	Not specified	\$145.800M	\$135.000M
O&S Costs	Not specified	\$197.100M	\$182.500M
LCCE	Not specified	\$342.900M	\$317.500M
Quantities	Not specified	42	42
Useful Life	Not specified	20 Years	20 Years

U.S. Department of
Homeland Security

United States
Coast Guard



Commandant
United States Coast Guard

1530 Wilson Blvd, Suite 400
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Staff Symbol: CG-931
Phone: (571) 227-7349
Fax: (571) 218-3422
Email: steve.kellogg@uscg.mil
8 Oct 2008
9000

MEMORANDUM

From: CG-9314

Reply to: CG-9314
Attn of: S. Kellogg
X7-7349

To: CG-931

Subj: H60 CONVERSION PROJECTS LIFE CYCLE COST ESTIMATE VARIANCES

Ref: (a) Wyle Laboratories, Medium Range Recovery Helicopter (MH-60T) USCG Office of Aviation Acquisition (CG-931) Life Cycle Cost Estimate Update dtd 2 September 2008

1. Reference (a) was commissioned by CG-9314 in order to obtain an independent Life Cycle Cost Estimate (LCCE) for the HH-60 Conversion Projects.
2. The summary of reference (a) is as follows:

Upgrades	Threshold		Objective	
	AC&I	OE	AC&I	OE
Avionics Upgrade	\$ 186,341	\$ 84,697	\$177,057	\$ 79,030
FLIR	\$ 48,132	\$ 40,172	\$ 46,291	\$ 36,575
Radar	\$ 123,470	\$ 49,993	\$100,972	\$ 45,944
C4ISR	\$ 78,120	\$ 105,375	\$ 65,100	\$ 91,630
Total Upgrades	\$ 436,064	\$ 280,237	\$389,420	\$253,179
Sustainment Projects				
SLEP	\$ 50,216	\$ 30,677	\$ 47,354	\$ 28,329
Engine	\$ 14,245	\$ 13,189	\$ 13,312	\$ 11,976
Total Sustainment	\$ 64,461	\$ 43,866	\$ 60,666	\$ 40,305
Grand Total	\$ 500,525	\$ 324,103	\$450,086	\$293,484

3. Upon further examination of reference (a), Threshold and Objective AC&I estimates did not identify Discrete Segments. OE funds subsequently were affected due to the misalignment and also didn't conform to the 8% threshold and objective DHS guidance.
4. Minor adjustments to the AC&I and OE estimates were made to reflect the PM's estimate and to account for the 8% deviation in OE.
5. The following is an updated LCCE which conforms to both the PM and 8% deviation between threshold and objective:

Subj: H60 CONVERSION PROJECTS LIFE CYCLE COST
ESTIMATE VARIANCES

9000

8 Oct 2008

USCG

Upgrades	Threshold		Objective	
	AC&I	OE	AC&I	OE
Avionics Upgrade	\$ 195,612	\$ 85,352	\$181,122	\$ 79,030
FLIR	\$ 36,658	\$ 39,501	\$ 33,943	\$ 36,575
Radar	\$ 65,462	\$ 49,620	\$ 60,613	\$ 45,944
C4ISR	\$ 145,800	\$ 197,100	\$135,000	\$182,500
Total Upgrades	\$ 443,532	\$ 371,573	\$410,678	\$344,049
Sustainment Projects				
SLEP	\$ 25,062	\$ 30,595	\$ 23,206	\$ 28,329
Engine	\$ 18,450	\$ 12,934	\$ 17,083	\$ 11,976
Total Sustainment	\$ 43,512	\$ 43,530	\$ 40,289	\$ 40,305
Grand Total	\$ 487,044	\$ 415,102	\$450,967	\$384,354

6. A summary of the variances is as follows:

- Avionics Upgrade:
 - Reference (a) was based on analogous data similar to other Avionics Upgrade projects.
 - The PMs estimate is based on actual material and labor costs through the first several aircraft.
- Service Life Extension Projects (SLEP):
 - Reference (a) was based on analogous data similar to other SLEPs.
 - The PMs estimate is based on actual material and labor costs through the first several aircraft.
- Engines:
 - Reference (a) was based on analogous data similar to other military Engine Sustainment projects.
 - The PMs estimate is based on known costs from existing DoD contracts currently being utilized to assist our upgrade efforts.
- Radar:
 - Reference (a) was based on analogous data similar to other Radar projects.
 - Reference (a) assumes all radar efforts will be accomplished during segment 3.
 - The PMs estimate highlights that subsequent radar upgrades will be incorporated in segment 4.
- C4ISR/Component Recap:
 - The segment does not have Operational Requirements identified.
 - Reference (a) for this segment was based on a "budget wedge" that was identified for the purposes of Acquisition Program Baseline submission.
 - The PMs estimate is based on preliminary discussions with sponsor on C4ISR and the support manager for component recapitalization.

590

Subj: H60 CONVERSION PROJECTS LIFE CYCLE COST
ESTIMATE VARIANCES

9000

8 Oct 2008

7. Please contact Mr. Steve Kellogg (CG-9314) at Stephen.a.kellogg@uscg.mil with any questions or concerns.

#


CC: CG-924
CG-928

Homeland
Security

DEC 08 2008

ACQUISITION DECISION MEMORANDUM

MEMORANDUM FOR: Vivien S. Crea VADM
Vice Admiral, U.S. Coast Guard

FROM: Elaine C. Duke 
Under Secretary for Management

SUBJECT: National Security Cutter Updated Acquisition
Program Baseline (Version 1.0)

REF: DHS Acquisition Program Baseline Guidance

The attached Acquisition Program Baseline (APB) (Version 1.0) for the National Security Cutter (NSC) Program has been reviewed and approved. The APB serves as the documented program of record for the NSC Program, and the program is approved to execute in accordance with the cost, schedule and performance baselines established in the APB.

In parallel with NSC execution, the following action is to be completed and submitted to Jim Manzo, Director, Cost Analysis Division in the Office of the Chief Procurement Officer (OCPO):

- Provide an updated life cycle cost estimate of the NSC program, in accordance with OCPO guidance, within six months of the date of this memo.

If you have any questions, please contact Page Glennie at (202) 447-5492.

Attachment

cc:
Deputy Secretary
Assistant Secretary for Policy
DHS Chief Financial Officer
DHS Chief Procurement Officer
DHS Chief Information Officer

U.S. Department of
Homeland Security

United States
Coast Guard



Commandant
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2100 Second Street, S.W.
Washington, DC 20593-0001
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5000

MEMORANDUM

OCT 01 2008

From: *Michael F. Tangora*
Michael F. Tangora
Deputy Assistant Commandant
for Acquisition (CG-9d)

Reply to: Mr. Peter J. Boyd
Attn of: (202) 475-3150

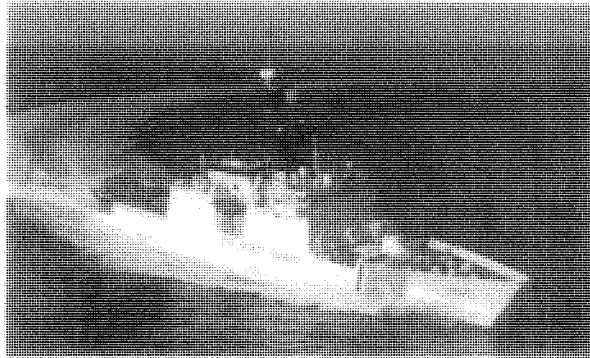
To: Paul Schneider
Vice Chair, DHS Investment Review Board

Subj: APPROVAL OF NATIONAL SECURITY CUTTER ACQUISITION PROGRAM
BASELINE REVISION

Ref: (a) Deepwater Acquisition Decision Memorandum of 15 May 2007

1. The attached National Security Cutter (NSC) Acquisition Program Baseline (APB) replaces the NSC APB that was forwarded to DHS on 8 Jan 2008. It is being submitted for your approval as required by reference (a).





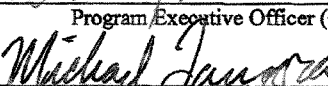

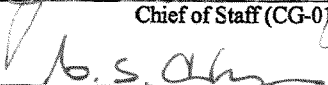
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NATIONAL SECURITY CUTTER (NSC)

Acquisition Program Baseline (APB)

VERSION 1.0

Submitted by:		<u>3/25/08</u>
	NSC Project Manager (CG-9321)	Date
Endorsed by:		<u>2/27/08</u>
	Acquisition Program Manager Surface (CG-932)	Date
Validated by:		<u>9/30/08</u>
	Chief, Acquisition Support (CG-924)	Date
Endorsed by:	 for	<u>9/30/08</u>
	Program Executive Officer (CG-93)	Date
Endorsed by:	 for	<u>9/30/08</u>
	Chief Acquisition Officer (CG-9)	Date
Endorsed by:		<u>9/30/08</u>
	Chief of Staff (CG-0)	Date
Endorsed by:		<u>9/30/08</u>
	USCG Agency Acquisition Executive	Date

Acquisition Decision Memorandum Approval Received:

DEC - 8 2008

Date

National Security Cutter Acquisition Program Baseline v1.0

Revision Summary:

Version	Change	Effective Date
Version 1.0 – Sep 2007 – Phase I	This NSC APB version (phase 1 of this APB change) has been changed from the Integrated Deepwater System APB Version 1.1 Approved by DHS IRB on 15 May 2007 to account for changes to the NSC baseline through Sep 2007. This APB version was submitted for approval to the Department and subsequently rescinded in August 2008 in order to include changes over the past year. This Phase 1 (of 2) includes an increase in Total Acquisition Cost from \$3,450M to \$3,970M and changes to several schedule parameters resulting from delays in NSC #1 development.	20 September 2007
Version 1.0 – Sep 2008 Phase II	This phase 2 change includes an increase in Total Acquisition Cost from \$3,970M to \$4,749M caused by detrimental economic conditions realized over the past year that have stemmed from lingering effects of Katrina on the Gulf Coast Shipbuilding work force, rising cost of Oil, Value of the U. S. Dollar relative to foreign currency and increasing commodity prices.	24 September 2008

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Section B.3: Investment Schedule	B-5

SECTION A. REVISION SUMMARY -VERSION 1.0

BACKGROUND: The purpose of the NSC APB is to update the NSC baseline information from the Integrated Deepwater System (IDS) APB. The Coast Guard IDS Acquisition Program Baseline (APB) was approved by the Department of Homeland Security (DHS) Investment Review Board (IRB) on 15 May 2007. However, the Decision Memorandum required the Coast Guard to provide an updated APB that:

- a. Aligns with the post-9/11 Deepwater Mission Needs Statement (and its supporting performance gap analysis) and latest update to the Deepwater Implementation plan; and
- b. Reflects revised cost and schedule projections for NSC, including the impacts of the August 2007 Consolidated Contract Action and all open issues. These include: Structural/fatigue enhancements (including both forward fit and retrofit into NSC #1 and #2), and the impact of the 2007 shipyard strike.

APB REVISION: The changes to the November 2006 NSC APB are structured in two phases and are synopsized as follows:

Phase 1: The changes to the APB due to impacts described above in the Decision Memorandum are presented as the Phase 1 change to the APB baseline of November 2006. These changes are due to outcomes of the Consolidated Contract Action of August 2007, structural enhancements, and impacts of the 2007 shipyard strike.

- a. **Cost Performance Parameters:** NSC Total Acquisition Cost has increased from \$3,450M to \$3,970M to account for all open issues described above.
- b. **Schedule Performance Parameters:** Delays in the development of NSC #1 have resulted in approximately one year slips to several NSC #1 schedule performance parameters and a two year slip in delivering the final asset.

Phase 2: Over the past year, numerous detrimental changes in economic conditions have impacted the projected cost of the NSC program. These include weakening value of the dollar, rising commodities prices, and regional labor market costs. The impacts of these changes to the APB are captured as the Phase 2 change herein.

- a. **Cost Performance Parameters:** NSC Total Acquisition Cost increased from \$3,970M to \$4,749M to account for Phase 2 issues described above. The resulting additional increase in the total acquisition cost baseline above Phase 1 is \$779M.

SECTION B. TOP LEVEL INVESTMENT BASELINE

The NSC will be capable of prolonged on-scene presence, extended transits and forward deployment. It will have improved interoperability, a significantly enhanced C4ISR suite, a robust Common Operational Picture and sensors that enhance surveillance, detection, classification, identification, and prosecution performance to an unprecedented level. The manning concept decouples the ship operational tempo (OPTEMPO) from the personnel tempo (PERSTEMPO). This will enable the cutter to deploy 230 Days Away From Homeport (DAHFP) annually consisting of: 185 days underway (165 mission days and 20 average transit days) and 45 in-port logistics days, while maintaining the current PERSTEMPO of the crew of 185 DAHP. This is a 24% increase in ship annual operating days compared to the High Endurance Cutter. The NSC will conduct proactive and reactive patrols within its assigned operating areas and will provide a robust Command and Control capability for the Task Unit Commander or the On-Scene Commander. With a 12,000 nautical mile range, the NSC and its deployed air and boat assets will operate worldwide within the range of its performance parameters in support of all Congressionally-mandated missions.

The following is a summary of the DHS strategic goals, programs and program performance goals that will be directly supported by the NSC program.

- 1) **DHS Strategic Goal:** Continue to Protect our Nation from Dangerous People
 - a) **Program:** Drug Interdiction
Program Performance Goal: Reduce the flow of illegal drugs entering the U.S. via non-commercial maritime shipping sources.
 - b) **Program:** Migrant Interdiction
Program Performance Goal: Eliminate the flow of undocumented migrants via maritime routes to the U.S.
 - c) **Program:** Other Law Enforcement
Program Performance Goal: Reduce the number of illegal vessel incursions into the U.S. Exclusive Economic Zone.
 - 2) **DHS Strategic Goal:** Protect Critical Infrastructure
 - a) **Program:** Marine Environmental Protection
Program Performance Goal: Eliminate oil spills and chemical discharge incidents.
 - b) **Program:** Living Marine Resources
Program Performance Goal: Achieve sustained fisheries regulation compliance on our Nation's Oceans.
 - c) **Program:** Ports Waterways and Coastal Security (PWCS)
Program Performance Goal: Reduce homeland security risk in the maritime domain.
-

National Security Cutter Acquisition Program Baseline v1.0

- d) Program: Marine Safety
Program Performance Goal: Eliminate maritime fatalities and injuries on our Nation's oceans and waterways.
- 3) ***DHS Strategic Goal***: Build a Nimble, Effective Emergency Response System and Culture of Preparedness
 - a) Program: Defense Readiness
Program Performance Goal: Support our national security and military strategies by ensuring assets are at the high level of readiness required by the combatant commander.
 - b) Program: Search and Rescue
Program Performance Goal: Save mariners in imminent danger on our Nation's oceans and waterways.

SECTION B.1: INVESTMENT PERFORMANCE

The NSC APB investment performance parameters align with the post-9/11 Deepwater Mission Needs Statement and are the same as the Key Performance Parameters (KPPs) listed in the NSC Capabilities Production Document. The threshold is the minimum value necessary to provide an operational capability that will satisfy the requirement. The objective is a value beyond the threshold that provides a performance capability above the threshold that may be attainable within the costs identified in the NSC APB.

Key Performance Parameters

PERFORMANCE	BASKET 1		BASKET 2		BASKET 3	
CURRENT PHASE:	NO CHANGE		NO CHANGE		NO CHANGE	
PRODUCTION & DEPLOYMENT	03 NOVEMBER 2006		30 SEPTEMBER 2007		15 SEPTEMBER 2008	
KEY PARAMETER	THRESHOLD	OBJECTIVE	THRESHOLD	OBJECTIVE	THRESHOLD	OBJECTIVE
SPRINT SPEED ⁽¹⁾ (KNOTS)	28	31	28	31	28	31
PATROL SPEED ⁽²⁾ (KNOTS)	15		15		15	
OPERATING RANGE ⁽³⁾ (NM)	12,000		12,000		12,000	
DETECTION RANGE ^(2,4) (NM)	11.7		11.7		11.7	
CONTINUOUS EFFICIENT OPERATIONS ⁽⁵⁾ (SEA STATE)	MID 5	THROUGH 6	MID 5	THROUGH 6	MID 5	THROUGH 6
OPERATIONAL AVAILABILITY A ₀	0.85	0.90	0.85	0.90	0.85	0.90

1. In full load condition, calm water, deep water, and clean hull
2. In medium sea state
3. Calculated with the maximum fuel at the most economical speed
4. Based on a medium size target, clear weather, and 90% probability of detection.
5. For replenishment and below deck stowage, operation is at best heading

TECHNICAL PERFORMANCE MEASUREMENT

Developmental Testing and Evaluation (DT&E) and routine, thorough on-site inspections are being used to monitor technical performance.

National Security Cutter Acquisition Program Baseline v1.0

SECTION B.2: INVESTMENT COST

The NSC APB cost parameters reflect revised cost projections for NSC, including the impacts of the August 2007 Consolidated Contract Action (CCA) and all open issues. These include impacts of Katrina, structural/fatigue enhancements (including both forward fit, beginning with NSC #3, and retrofit into NSC 1 and 2), and the impact of the 2007 strike (Phase 1). Additional cost increases are reflected as Phase 2 which account for the recently encountered and now-projected cost increases attributable to the weakening value of the dollar, rising commodities prices, and regional labor market costs. These cost estimates will be reflected in a revision to the FY10 Capital Investment Plan.

Key Cost Performance Parameters

COST (FISCAL YEAR 0)	BASLINE	PHASE 1 REVISION #1.0	PHASE 2 REVISION #1.0
CURRENT PHASE PRODUCTION & DEVELOPMENT	02 NOV 2006	30 SEP 2007	18 SEP 2008
TOTAL ACQUISITION COST	\$3,450M	\$3,970M ⁽¹⁾	\$4,745M ⁽²⁾
QUANTITY	8	8	8
LIFE-CYCLE COST ESTIMATE	\$23,518M		\$24,277M ⁽³⁾
USEFUL LIFE	30 YEARS		30 YEARS

Cost Revision #1

¹ Reflects impacts of the CCA, structural/fatigue enhancements, the impact of a 2007 shipyard strike.

² Reflects impacts of the persistent impacts of Katrina to Shipbuilding labor force resulting in retention challenges, loss of learning and green labor, pervasive impacts of the rising cost of oil and commodities, and declining value of the U. S. Dollar relative to foreign currency.

³ Reflects changes in Total Acquisition Cost. Revised LCCE is under development.

Cost Performance Measurements

Earned Value Management (EVM) is being used to monitor cost performance and is reported in accordance with DHS periodic reporting requirements. Integrated Baseline Reviews for NSCs #2 and #3 were completed in January and July (respectively) 2008.

National Security Cutter Acquisition Program Baseline v1.0

SECTION B.3: INVESTMENT SCHEDULE

The NSC APB key schedule parameters reflect revised schedule projections for NSC resulting from revised delivery dates established at the CCA, acceptance of NSC #1 in May 2008, and revised production plans.

Key Schedule Parameters			
SCHEDULE	BASELINE	PHASE 1: REVISION #1.0	PHASE 2: REVISION #1.0
CURRENT PHASE:	03 NOV 2006	28 SEP 2007	15 SEP 2008
PRODUCTION & DEPLOYMENT			
FIRST ASSET DELIVERED	Q4FY07	Q3FY08 ⁽¹⁾	Q3FY08 ⁽¹⁾
DEVELOPMENTAL TESTING & EVALUATION (DT&E) COMPLETE	Q4FY07	Q3FY09 ⁽²⁾	Q3FY09 ⁽²⁾
P&D DTO COMPLETE (FINAL ACCEPTANCE)	Q4FY08	Q3FY09 ⁽³⁾	Q3FY09 ⁽³⁾
IOC	Q4FY08	Q4FY09 ⁽⁴⁾	Q4FY09 ⁽⁴⁾
OT&E COMPLETE	Q4FY10	Q4FY10 ⁽⁵⁾	Q4FY11 ⁽⁶⁾
FINAL ASSET DELIVERED/FOC	FY14	FY16 ⁽⁷⁾	FY16 ⁽⁷⁾

Schedule Revision #1

- ¹ Impacts of Hurricane Katrina and Government driven changes in schedule have induced approximately one year delay in delivery.
- ² Impacts of Hurricane Katrina, Government driven changes and the now-planned post-delivery installation of GFE external communications and SCIF equipment have induced approximately two year delay in DT&E Technical Evaluation.
- ³ Impacts of Hurricane Katrina and Government driven changes on schedule have induced approximately one year delay in completion of the Production and Deployment DTO (completed at end of 1 year warranty period).
- ⁴ Impacts of Hurricane Katrina and Government driven changes on schedule have induced approximately one year delay in anticipated attainment of IOC.
- ⁵ OT&E completion remains as previously scheduled.
- ⁶ Delay in NSC #1 delivery and revised multi-phase approach to OT&E have extended completion of OT&E to FY11.
- ⁷ Impacts of Hurricane Katrina, Government driven changes and reassessment of production duration based on shipyard performance to date, schedule analysis, and the CCA.

Schedule Performance Measurement

The Integrated Master Schedule (IMS) and EVM are being used to monitor schedule performance. Schedule data is reported in accordance with DHS periodic reporting requirements.

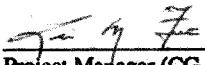
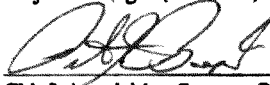


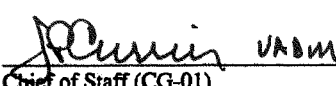
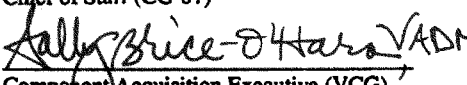
ACQUISITION PROGRAM BASELINE (APB)

for the

RESPONSE BOAT-MEDIUM (RB-M)

ACQUISITION PROJECT

Revision 2

Submitted by:	<u></u> Project Manager (CG-9325)	<u>22 APR 10</u> Date
Validated by:	<u></u> Chief, Acquisition Support Office (CG-924)	<u>23 APR 10</u> Date
Endorsed by:	<u></u> Program Manager (CG-932) (Acting)	<u>26 Apr 10</u> Date
Endorsed by:	<u></u> Sponsor (CG-7) ACTING	<u>4/29/2010</u> Date
Endorsed by:	<u></u> Director of Acquisition Programs (CG-93)	<u>5/12/10</u> Date
Endorsed by:	<u></u> Chief Acquisition Officer (CG-9)	<u>6/2/10</u> Date
Endorsed by:	<u></u> VADM Chief of Staff (CG-01)	<u>6/25/10</u> Date
Approved by:	<u></u> VADM Component Acquisition Executive (VCG)	<u>7/17/10</u> Date

CERTIFIED TO BE TRUE
MMR

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Section A: Revision Summary

The Response Boat-Medium (RB-M) Acquisition Project developed an initial Acquisition Program Baseline (APB) in preparation for Acquisition Decision Event (ADE) 2 in April 2005. The 2005 APB Life Cycle Cost Estimate (LCCE) was based on the analysis of the three primary assets in consideration for the RB-M production contract. Operating personnel costs were considered equal for each alternative asset and not included in the Operations & Support estimate for the APB.

Revision 1 was approved in September 2006 after the award of the production contract to reflect the actual acquisition costs associated with the selected alternative. Total Acquisition Costs were updated using the final pricing schedule negotiated in the contract. The Operations and Support estimate remained unchanged from April 2005.

In preparation of ADE-3 (delegated to the Coast Guard Component Acquisition Executive (CAE)) for entry into the Produce/Deploy/Support phase of the project, the LCCE has been updated using known costs to date and updated pricing information validated by an Independent Cost Estimate (ICE) completed by the Business Management and Metrics Division (CG-9283) of the Office Of Resource Management. This APB revision reflects changes identified in Operations & Support primarily driven by increased fuel prices and the inclusion of operating personnel costs. All other parameters of the APB, including Total Acquisition Costs, remain valid.

Version	Description	Effective Date
Original	Prepared for Acquisition Decision Event #2	01 April 2005
Revision #1	Revised to include actual acquisition pricing costs used in contract award	20 September 2006
Revision #2	Revised Operations and Support costs to include operating personnel and increased fuel costs	

Section B: Introduction

B.1. Strategic Goals

The RB-M Acquisition Project was established to procure 180 new small boats to replace the aging 41-foot Utility Boats (UTB) (and other large non-standard boats) with assets more capable of meeting the Coast Guard's multi-mission operational requirements, including Maritime Safety, Maritime Security, Maritime Mobility, National Defense, and Protection of Natural Resources.

Response Boat-Medium Project alignment – the ✓ shows specific alignments of the RB-M as an operational asset supporting the USCG Mission Programs and DHS Strategic Goals and Objectives:

USCG Mission-Programs – per Homeland Security Act of 2002, Section 888

✓	✓			✓	✓	✓	✓	✓	✓	✓
Search & Rescue	Marine Safety	Aids to Navigation	Ice Operations	Marine Environmental Protection	Living Marine Resources	Illegal Drug Interdiction	Undocumented Migrant Interdiction	Other Law Enforcement (Protect EEZ)	Ports, Waterways, and Coastal Security	Defense Readiness

DHS Strategic Goals and Objectives, Fiscal years 2008-2013

✓	✓				✓	✓		✓				
1.1	1.2	2.1	2.2	2.3	2.4	3.1	3.2	3.4	4.1	4.2	5.2	5.3
Protect Our Nation from Dangerous People		Protect Our Nation from Dangerous Goods			Protect Critical Infrastructure		Strengthen Our Nations' Preparedness and Emergency Response Capabilities			Strengthen and Unify DHS Operations and Management		

B.2. Mission Need

Coast Guard mission requirements, particularly in terms of maritime security, have changed markedly since the 41' UTB was built. The RB-M offers a number of opportunities for improvements over the existing fleet of 41' UTBs and other boats in terms of performance, crew efficiency and operational availability. Several program requirements and extensive field commander input indicate a need for an RB-M that is substantially faster (e.g., 40+ knots versus 26 knots) than the 41' UTB to support new homeland security operations. Such capability will also improve effectiveness of Search and Rescue (SAR), Alien Migrant Interdiction, Drug Interdiction, Law/Treaty Enforcement, Ports, Waterways, and Coastal Security (PWCS), and National Defense missions.

Integrated navigation and sensing systems compliant with modern international radio-telephone standards provide the RB-M with improved communications and search capabilities compared to the 41-foot UTB, thereby improving mission effectiveness. Interoperability of the RB-M with Rescue 21 equipment enhances overall command and

control as well as crew safety in coastal zones. Moreover, crew efficiency is improved in a number of areas relating to human factors and engineering. For example,

- Self-righting capability provides improved survivability in higher sea states
- Self-fendering allows more efficient boarding and towing operations
- Improved survivor recovery arrangement improves crew effectiveness
- Secure seating for each crewmember in an environmentally controlled cabin enables greater mission endurance with less crew fatigue

Methods to achieve the above include emphasizing the ability to maintain and replace RB-M components quickly by providing improved depot level maintenance support. Further efficiencies are gained by providing maintenance relief vessels to substitute for station boats during major maintenance and casualty repairs. The RB-M is also being built to dimensions that will allow for commercial overland transportation to support deployed surge operations and technical data will be formatted to support the ongoing organizational logistics transformation.

B.3. Project Description

The RB-M Acquisition Strategy is two-phased:

- Phase I – a full and open competitive Request For Proposal (RFP), selection of three contractors to build test boats, followed by developmental testing and evaluation to validate RB-M requirements.
- Phase II – a competitive RFP, limited to the three Phase I contractors, for production and logistics support for approximately 180 boats that meet the Coast Guard's multi-mission requirements.

Phase I – The Three Test Boats

The RFP for the test boats was released 9 August 2002 and contracts for three test boats were awarded on 2 May 2003. The test boats were delivered 29 October 2003. The Coast Guard conducted extensive in-water developmental testing and evaluation after accepting the Phase I test boats. Personnel from Coast Guard multi-mission stations who operate and maintain small boats on a daily basis participated in the in-water testing. The Naval Surface Warfare Center Carderock Division – Combatant Craft Department – conducted the technical analysis of the data gathered from the acceptance, performance, mission effectiveness, and supportability testing. The evaluation results were used to validate government requirements and verify industry's ability to meet those requirements using non-developmental, state of the market technology at a reasonable price. Select portions of the Phase I test results were also furnished to the Phase I contractors for additional research and development and for use in developing their Phase II proposals.

Phase II – Primary Contract Award for the fleet of 180 RB-Ms

On 21 June 2006, the RB-M contract for Phase II of the acquisition, design, construction, outfit and delivery of the RB-M system, was awarded to Marinette Marine Corporation (MMC) of Marinette, Wisconsin. MMC's primary subcontractor for design and construction of the initial RB-Ms is Kvichak Marine Industries (KMI) in Kent, Washington. Detailed design was completed in June 2007 and construction started on the

first RB-M in July 2007. The first boat was delivered in March 2008, initiating Operational Testing and Evaluation (OT&E).

During Low Rate Initial Production (LRIP), RB-Ms were delivered at a rate of approximately one per month to field units representing the most diverse operational and environmental conditions possible to ensure OT&E was representative of all conditions the RB-M will encounter once fully deployed. Preliminary OT&E results showed that the LRIP assets meet all of the Critical Operational Parameters identified in the Operational Requirements Document (ORD).

The FY08 appropriation provided funding to place sufficient orders to warrant opening a second production facility in Green Bay, Wisconsin. This facility opened in September 2008 and delivered its first RB-M (hull # 11) in Q4 FY 2009. During OT&E, RB-Ms remained in LRIP, delivering approximately one RB-M per month. Approval of the OT&E report in December 2009 marked the end of LRIP. ADE-3 (full production decision) was approved on 2 Mar 2010. During full production, both the MMC Green Bay, Wisconsin facility and the Kvichak Marine Kent, Washington facility will deliver at least 15 RB-Ms annually for a total of no less than 30 boats per year.

B.4. References

Requirement Parameters	Cost Parameters	Schedule Parameters
Mission Need Statement 01 April 2002	OMB Exhibit 300 4 June 2007	Project Management Plan 24 November 2009
Operational Requirements Document 30 October 2004	Independent Cost Estimate 6 April 2009	Acquisition Plan 28 October 2004
Test & Evaluation Master Plan 03 October 2005	Life Cycle Cost Estimate Update 11 January 2010	

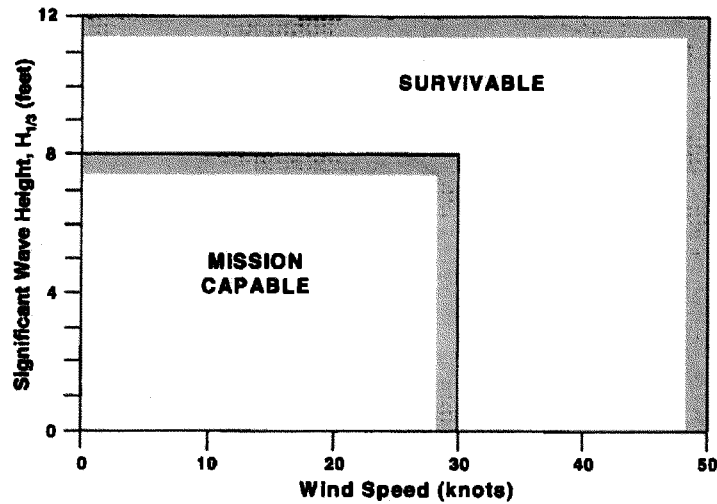
Section C: Top Level Project Baseline

The APB establishes the “top level” qualified ranges for critical performance, cost and schedule parameters for the RB-M Acquisition Project during the Produce/Deploy/Support phase of the acquisition process.

C.1. Project Performance

These performance measures reflect the mission critical requirements as derived directly from the Key Performance Parameters (KPP) in the Operational Requirements Document (ORD) as validated during the Analyze/Select (formerly the Concept and Technology Development (CTD)) phase of the acquisition process. Objectives are only identified for those KPPs where enhanced capability is desired. **There are no changes to the performance parameters as part of this revision.**

Baseline: 1 April 2005 – Revision 1 & 2: No Change		
Key Performance Parameter (KPP)	Threshold	Objective
Length	45 feet 0 inch maximum	
Beam	15 feet 0 inch maximum	
Draft	4 feet 1 inch maximum	3 feet 0 inch
Weight	40,000 pounds maximum in the hoisting condition	
Speed	40 knots 30 knots sustained No more than 5 knots at idle	45 knots
Range	250 nautical miles at 30 knots	
Towing Size	Towing astern of a variety of vessels up to and including 100 tons displacement in all Mission Capable sea and wind conditions as shown below.	
Sea keeping	Mission capable and survivable up to the limits shown below.	Self-righting



Testing on technical performance is conducted prior to the acceptance of each RB-M. Operational Testing and Evaluation of the RB-M has been completed and determined that the RB-M is Operationally Effective and Operationally Suitable.

Technical Performance Measurements

The RB-M Acquisition Project held a Detailed Design Review with MMC shortly after the RB-M production contract award in June 2006. The Detailed Design Review was divided into phases that represented relatively equal amount of Coast Guard review. The Government provided written approval for the Contractor to proceed with the purchasing and fabrication of components identified in each separate phase.

A series of baselines were developed between contract award and the Preliminary Acceptance Tests (PATs) of the first production RB-M. The first baseline was the Functional Configuration Baseline (FCB). This baseline included top-level performance specifications identified by Ships Work Breakdown Structure (SWBS) and was established upon production contract award. The other baselines were established based on Government approval of the associated Physical Configuration Audit (PCA). These baselines included the Allocated Configuration Baseline (ACB) and the Development Configuration Baseline (DCB). Future baselines include the Preliminary Product Configuration Baseline (p-PCB) and the Product Configuration Baseline (PCB).

The PCA will be conducted as the final step of the PATs on the first full rate production RB-M. The PCA will be conducted to verify consistency between the configuration documentation and the actual RB-M, including outfitting and logistics support products.

C.2. Project Schedule

The schedule is based upon the present limitation of a 5-year base period for Indefinite Delivery Indefinite Quantity (IDIQ) type contracts and a three-year option period. All schedule parameters have been completed up to and including the ADE-3 Production Decision.

Schedule	Baseline: 01 Apr 2005	Revision #1: 20 Sep 2006	Revision #2	
			Threshold	Objective
CGARC Brief	10/04			
DHS IRB Approval	03/05			
Decision Milestone: Alternative Selection	03/05			
Phase 2 RFP Release	04/05			
Award LRIP Contract (DHS & Congressional notification)	12/05	4QFY06	06/06	
Delivery of the first LRIP boat	3QFY07	1QFY08	04/08	
OT&E Complete	4QFY08	FY10	12/09	
ADE-3 Production Decision	4QFY08	FY10	03/10	
IOC	FY08	FY10	4QFY10	3QFY10
POC	FY13	FY15	2QFY16	4QFY15

Schedule Performance Measurement

The Contractor developed and maintains an event-driven Integrated Master Plan (IMP) and an event-driven Integrated Master Schedule (IMS). These are used in conjunction with the Earned Value Management System (EVMS) to monitor the schedule performance of the RB-M Acquisition Project.

C.3. Project Cost

The Total Acquisition Cost, Quantities and Useful Life for the RB-M Acquisition Project remain unchanged. Revisions have been made to the Operations & Support Cost to reflect known personnel costs and updated pricing information as analyzed in preparation of ADE-3.

Program Cost Estimate in Then Year Dollars (Millions)				
Current Phase: Produce/Deploy/Support				
Cost Categories	Baseline	Revision #1	Revision #2	Revision #2
	1 Apr 2005	20 Sep 2006	Threshold	Objective
Total Acquisition Cost	\$401	\$610	\$659	\$610
Operations & Support	\$809	\$809	\$1,603	\$1,484 ¹
Life-Cycle Cost Estimate	\$1,210	\$1,419	\$2,262	\$2,094 ²
Quantities	180			
Useful Life	20 Years			

¹ Operations & Support (O&S) Cost

The O&S Cost has increased \$675M beyond the currently approved \$809M to \$1,484M. The revised figure is based on increases in fuel costs (~\$147M) and the inclusion of previously omitted operating personnel costs (~\$528M).

² Life-Cycle Cost Estimate (LCCE)

The LCCE is the sum of the Total Acquisition Cost and O&S Cost. The LCCE has increased \$675M to \$2,094M based on the increased O&S Cost from \$809M to \$1,484M.

Cost Performance Measurements

The RB-M Acquisition Project Management Team is committed to using an Earned Value Management System (EVMS) that meets ANS/EIA Standard 748. During the Obtain phase of the acquisition process, steps were taken to design an Earned Value Management (EVM) framework for effective project management and controls. The RB-M Acquisition Project leveraged lessons learned from other agency acquisition programs and is using those insights to manage the cost, schedule, and technical performance during the project life cycle. Integrated Baseline Reviews (IBRs) are conducted jointly with MMC and started after the RB-M production contract award in June 2006. An IBR is held after each set of RB-M hulls are ordered. The IBRs are intended to provide a mutual understanding of the risks inherent in MMC's performance plans and underlying management control systems and are an essential element of the RB-M Acquisition Project's risk management approach.

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